



CSR REPORT 2009

Mizuho Financial Group

We Have Selected Undertakings on which Mizuho is Focusing, and Topics from the Perspectives of Both Social Demands and Stakeholder Concerns

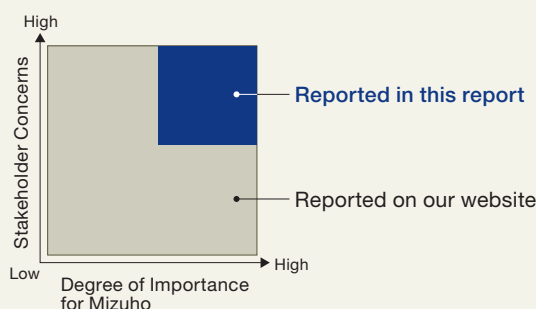
This report concerns the group’s activities in the area of corporate social responsibility (CSR). The objective is to improve communications with our many stakeholders by reporting on the group’s thinking, policies, plans and initiatives in the area of CSR, and to provide further impetus for our CSR activities in the future.

In the FY2008 report, based on the degree of social interest and on opinions and requests from stakeholders, we took up the theme of “environmental impact reductions using financial functions” and presented “project finance for wind power generation projects” and “activities to popularize the domestic credit system” as highlights.

In addition, from among our CSR priority areas, we took up – and showcased in a Q&A format – “corporate finance facilitation” and “financial crime prevention” as themes of much concern to our stakeholders, and “environmental

impact reductions in Mizuho offices” and “joint research with Tokyo Gakugei University” as themes on which Mizuho is focusing.

The contents of this report are the result of deliberations by the CSR Committee and final decisions by the President & CEO.



Scope of Selected Terms:

Unless otherwise stated, “the group,” “Mizuho” and any “first-person” narrative refers to 13 companies. There have been no significant changes in the companies covered compared with last fiscal year. On May 7, 2009, the former Mizuho Securities merged with Shinko Securities to form the “new” Mizuho Securities.

Description:

• “The group,” or “Mizuho”

Mizuho Financial Group (MHFG) and its 12 principal banking subsidiaries and other core group companies in Japan: Mizuho Bank (MHBK), Mizuho Corporate Bank (MHCN), Mizuho Securities (MHSC), Mizuho Trust & Banking (MHTB), Mizuho Investors Securities (MHIS), Trust & Custody Services Bank, Mizuho Asset Management (MHAM), DIAM (DIAM), Mizuho Research Institute (MHRI), Mizuho Information & Research Institute (MHIR), Mizuho Financial Strategy, and Mizuho Private Wealth Management. (The abbreviations in parentheses are used in titles to indicate the group companies involved in independent initiatives.)

• Mizuho Financial Group (MHFG)

Refers to Mizuho Financial Group, Inc. on a non-consolidated basis.

• Employees

A collective designation for all employees working for the group in Japan and overseas, excluding non-regular and temporary employees.

Period Covered:

This report covers the period from April 1, 2008 to March 31, 2009. However, it also includes information on significant events since April 2009.


Publication Information:

Date of issue: August 2009

Next scheduled publication date: August 2010 (Previous publication date: September 2008, frequency: annual)

On Our Website, We Introduce Mizuho’s Diverse CSR Activities from Various Perspectives

The website version of “Mizuho’s CSR” includes the full content of the printed version plus more detailed information. To improve access to related information, we have included hypertext links.

We have printed a  mark on the corner of each two-page spread of the printed version, so please use the included links to access the relevant websites.



Mizuho’s CSR

<http://www.mizuho-fg.co.jp/english/csr/index.html>

GRI “Sustainability Reporting Guidelines” (GRI Guidelines)

Mizuho complies with the GRI* Guidelines, using them to gauge the progress of our information disclosures and assure comparability with other companies’ reports.

Please refer to <http://www.mizuho-fg.co.jp/english/csr/report/gri.html> for a comparative table of the GRI Guidelines.

This report conforms to Report Application Level B as defined by the GRI “Sustainability Reporting Guidelines.”



* GRI stands for Global Reporting Initiative.

It is an international organization established in 1997 to create globally applicable guidelines relating to sustainability reports issued by corporations and other bodies.

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Icons Icons are used for headers describing independent activities of individual group companies as follows.

FG Mizuho Financial Group	BK Mizuho Bank	CB Mizuho Corporate Bank	SC Mizuho Securities
TB Mizuho Trust & Banking	IS Mizuho Investors Securities		
DIAM DIAM	RI Mizuho Research Institute	IR Mizuho Information & Research Institute	

Going back to The Mizuho Code of Conduct and Contributing to the Realization of a Sustainable Society with Stakeholders



Takashi Tsukamoto
President & CEO
Mizuho Financial Group

It is vital to recognize anew the importance of the financial institution's public mission and social responsibilities

The financial crisis originating in the United States has had a huge impact on the real economy, and caused a major deterioration in business conditions that has affected the entire world. Mizuho has not escaped the repercussions and its fiscal 2008 results were severely affected.

Given the business environment, I believe we should go back to The Mizuho Code of Conduct, which was drawn up in the spirit of the Basic Principles of the Consolidation when Mizuho was established. At the same time, we should continue to respect international initiatives such as the UN's "Principles for Responsible Investment" (PRI) and the UN Global Compact. In other words, I believe it is vital to recognize anew the importance of the financial institution's public mission and social responsibilities. I also believe that Mizuho's CSR (corporate social responsibility) lies in strengthening its business structure from the perspectives of corporate governance and compliance, achieving an earnings recovery while listening carefully to the opinions of our stakeholders, and proactively contributing to the realization of a sustainable society.

Actively playing a major role in finding solutions to environmental problems through the mechanisms of finance

Making the most of its knowledge and know-how concerning its core business and its operational processes, Mizuho is engaged in tackling various social issues from a medium- to long-term perspective.

The first of these is the environment. Environmental problems such as global warming and climate change are important, highly topical issues that are discussed around the world. As a global, comprehensive financial services group, Mizuho believes it has a major role to play in this area through the mechanisms of finance.

Since it became the first Japanese bank to adopt the Equator Principles in 2003, Mizuho has taken a proactive stance on wind power generation and other environment-related project finance deals. In doing so, it has set parameters that study loan conditions from the perspective of their impact on the regional environments and societies of the regions under development. It channels considerable effort into business matching based on environmentally conscious finance, the environment itself and related

themes aimed at companies that are introducing energy-conserving facilities. It also supports emissions trading and promotes the Clean Development Mechanism (CDM).

In order to reduce the environmental impact of our own business activities, the entire group is working to reduce greenhouse gas emissions and meet the other environmental targets we have set.

Taking a broader look at financial education initiatives

The second issue we are working on is financial education. Our efforts in this area cover the appropriate use of financial services, the avoidance of multiple indebtedness and financial crime prevention. But they go beyond this to take a broader look at the importance of “credit” as the foundations of society, and the fostering of a sense of morality and work values.

These efforts have been energetic and multifaceted. At the elementary and secondary school levels, we have prepared textbooks and guidelines for teachers on the basis of joint research with Tokyo Gakugei University since fiscal 2006. We have also arranged for bank staff to give lessons at schools, and for students to visit the bank to gain some workplace experience.

At the higher education level, we have arranged for current employees of Mizuho group companies to give lectures and courses at universities. In this way, we are nurturing “human resources with high-level financial knowledge” through the kind of practical lessons that only a comprehensive financial group can offer.

Responding to society’s demands to facilitate corporate finance and prevent financial crime

During fiscal 2008, we put considerable effort into responding to society’s demands from the perspectives of facilitating corporate finance amidst the sudden economic slowdown, and preventing financial crime – an area of growing interest among clients.

In the area of corporate finance, we take the financial institution’s role of ensuring a smooth supply of funds very seriously. In addition to providing speedy and meticulous responses to funding demand, we have created an organization that can offer a broad range of solutions in connection with clients’ business strategies.

In the area of financial crime prevention, we have devised various countermeasures to protect our clients’ precious assets and help them to live safe and secure lives. We have also adopted initiatives to help those who are unfortunate enough to suffer damages.

Human resources who can work with clients in overcoming the severe economic environment

Developing human resources is an important management issue when it comes to pursuing these initiatives.

One of Mizuho’s strengths is a business model that allows highly specialized employees to cooperate with each other within their companies as they go about their work. Mizuho is channeling its efforts into strengthening and promoting the development and utilization of human resources so that they can work with clients in overcoming the severe economic environment and enhance their enterprise value over the medium to long term.

Being “customer-oriented,” “frontline-oriented,” and “future-minded” to be a financial institute with “trust” and “presence”

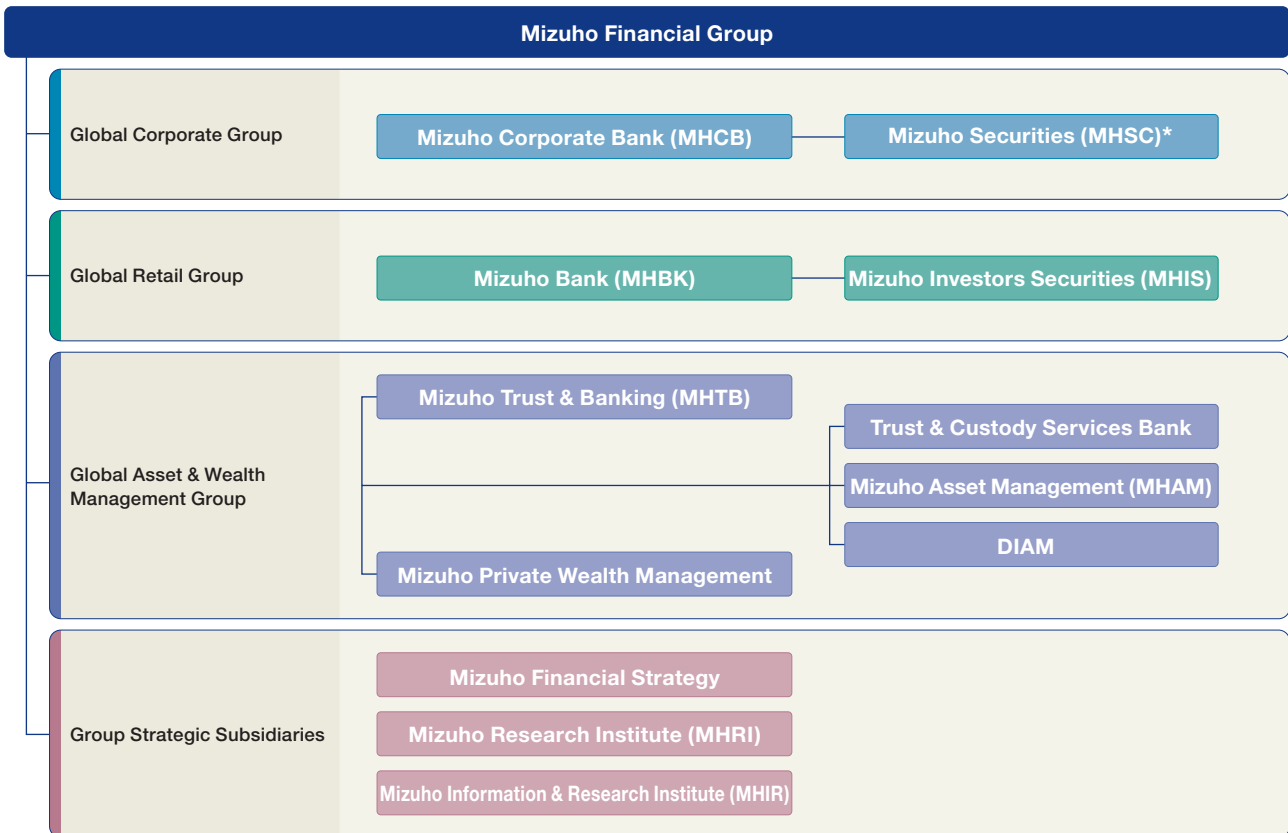
Given the severity of today’s economic conditions and the management environment, I believe it is essential for me as the CEO to take the lead in demonstrating the stance we should adopt in order to fulfill our corporate social responsibilities. In carrying out my daily management activities, I always strive to be “customer-oriented,” “frontline-oriented,” and “future-minded,” and seize every opportunity to stress their importance within the company.

Being “customer-oriented” means to look at everything from the client’s perspective. Being “frontline-oriented” means to channel the maximum possible management resources into the client business activities so as to be able to satisfy clients’ needs quickly. And being “future-minded” means offering products and services that will help raise clients’ enterprise value in the future.

As they go about their duties, I believe all employees should be strongly aware at all times that they are supported by our clients. In this way, we can ensure that we continue to be a financial institution that has both “trust” and “presence” at home and overseas.

We look forward to your continuing understanding and support in these endeavors.

Offering Comprehensive Financial Services with Mizuho Financial Group as the Holding Company



* On May 7, 2009, Mizuho Securities merged with Shinko Securities, forming a new Mizuho Securities.

Mizuho was formed in September 2000 when Mizuho Holdings, Inc. was established as a holding company with Dai-ichi Kangyo Bank, Fuji Bank, and the Industrial Bank of Japan as its subsidiaries. Today, Mizuho Financial Group, Inc. (MHFG) serves as the financial holding company for a corporate group that offers comprehensive financial services.

The principal functions of the group's companies – banking, securities and trust management – are organized into three global groups with a view to provide faster, more

precise responses to the diverse needs of customers. Mizuho Corporate Bank leads the Global Corporate Group, which provides borderless services to large companies and financial institutions. Mizuho Bank spearheads the Global Retail Group, which provides services to small and medium-sized enterprises, middle market corporations, and individual customers. And the Global Asset & Wealth Management Group offers services that focus on asset management and investment.



Company Overview (As of March 31, 2009)

Trade name: Mizuho Financial Group, Inc.
 Domestic stock exchange securities code: 8411
 Date of establishment: January 8, 2003
 Location of Head Office: Marunouchi 2-chome Building
 2-5-1, Marunouchi, Chiyoda-ku
 Tokyo 100-8333, Japan
 Tel: 81-3-5224-1111 (reception)
 Capital: ¥1,540,965 million
 Representative: Takashi Tsukamoto, President & CEO
 (assigned on April 1, 2009)
 Number of employees: 283

Main business:

- Improvement of overall operation and management of the Mizuho Financial Group
- Planning and development of the Mizuho Financial Group's business strategies
 - Promotion of synergy effects between Group companies
 - Reinforcement of risk management, regulatory compliance, and internal audit systems
- Promotion of business efficiency through the direct management of major Group companies
- Promotion of efficient use of the common infrastructure, etc.

Outstanding Shares:

12,130,382,660 shares

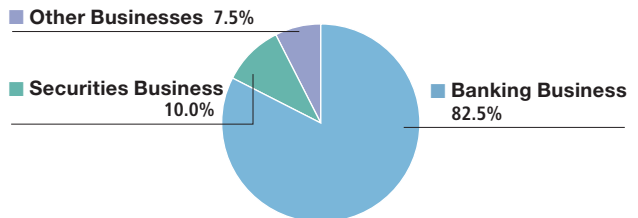
(Common: 11,178,940,660 Preferred: 951,442,000)

Stock listing: Tokyo Stock Exchange (First section),
 Osaka Securities Exchange (First section),
 New York Stock Exchange*1

*1 American Depositary Receipts (ADR) listed on the New York Stock Exchange.

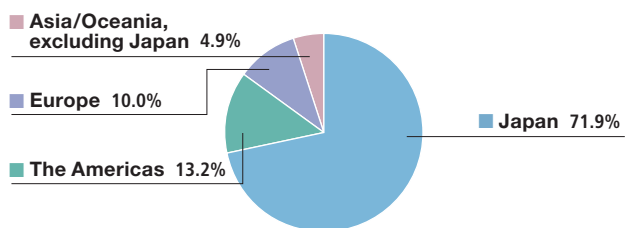
Ordinary Income (Consolidated)

By Business*2



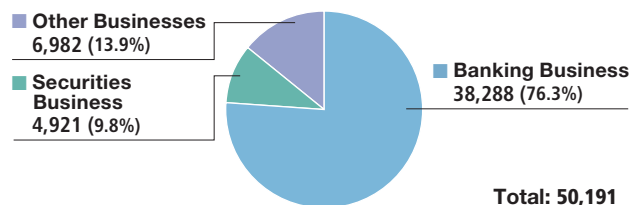
*2 Banking Business: Banking and Trust Banking
 Securities Business: Securities
 Other Businesses: Asset Management, etc.

By Region*3

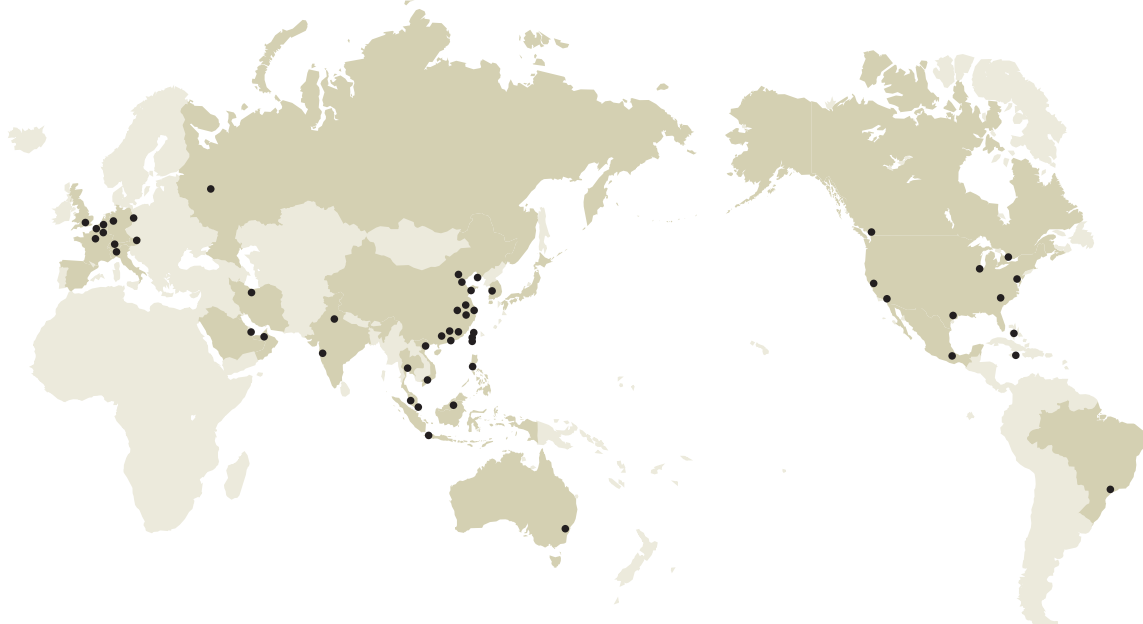


*3 Countries and regions are classified according to geographical factors and the mutual relevance of business activities.

Employees (Consolidated)



Geographical Distribution and Cities with Mizuho offices (as of March 31, 2009)



Global Corporate Group

Mizuho Corporate Bank

The following icon indicates individual statements by MHC.B. 

Aiming to become the top bookrunner in the field of corporate finance

In order to meet the increasingly sophisticated and diverse financial and business strategy needs of its customers, which are large companies or global companies, MHC.B provides optimal solutions based on its abundant, global industry knowledge and ample financing capabilities. As it enhances its comprehensive financial capabilities by expanding its overseas network, strengthening its alliances, and collaborating with Group companies, MHC.B will continue striving to become the top bookrunner in the field of corporate finance.

CSR Topics for FY2008

- By conducting intermediary business for emissions credits, MHC.B closed deals between overseas developers and domestic customers.
- As of March 31, 2009, MHC.B had closed 48 environment-related project finance deals worth ¥88.3 billion.
- Due to favorable evaluations of its introduction and operation of a multi-heat storage air conditioning system in the Head Office building, MHC.B received a letter of appreciation at the Chikunetsu no Tsudoi gathering.

Mizuho Securities

The following icon indicates individual statements by MH.S.C. 

Aiming to become the global investment bank that customers trust the most


Shinko Securities and Mizuho Securities merged on May 7, 2009, taking a new step together as Mizuho Securities Co., Ltd. By fusing the know-how that the former Mizuho Securities cultivated as a wholesale securities company in the investment banking business, as well as its global platform, with Shinko Securities' nationwide business infrastructure and full-line, comprehensive securities network, Mizuho Securities will provide services with higher value-added than before and meet customer expectations.

CSR Topics for FY2008

- 150 employees and family members participated in the FIT for Charity Run
- Mt. Fuji cleanup activity incorporated into new employee training
- Establishment of contributed lectures and courses
- Using the company's intranet to support employee volunteer activities

Global Retail Group

Mizuho Bank

The following icon indicates individual statements by MHB.K. 


By growing together with its customers, including individual customers, small and medium-sized enterprises, and the business managers of those enterprises, MHB.K is aiming to become the "Best Partner" for all of them

By returning to the starting point of commercial banking business, in other words, the "Customer First" principle, MHB.K is deepening and developing the relationship of trust with its customers every day. Furthermore, in order to enable immediate responses to constantly changing customer needs, MHB.K is working with all its strength and a greater sense of speed than ever before to strengthen its product and service provision capabilities.

CSR Topics for FY2008

- In March 2009, as a result of the Heartful Project, MHB.K won the Humane Urban Planning Award sponsored by Aichi Prefecture.
- Collaborating with the Ministry of Economy, Trade and Industry on a project to popularize the domestic credit system
- Enhancing loan products to support small and medium-sized enterprises undertaking environmental measures
- Starting contributions to nature conservation groups in conjunction with debit card use

Mizuho Investors Securities

The following icon indicates individual statements by MHIS. 

Toward becoming the securities company that customers trust the most

Mizuho Investors Securities' ideal is to establish itself as the securities company that customers trust the most. Based on this ideal, MHIS will commit itself to a business style that always puts customers first, will grasp customers' diverse and sophisticated needs appropriately, and will strive to provide products and services that satisfy all customers with which it makes transactions.



Global Asset & Wealth Management Group

Mizuho Trust & Banking

The following icon indicates individual statements by MHTB. **TB**

Establishing the top brand in asset and wealth management

Mizuho Trust & Banking provides the trusteeship function broadly, not only to its own customers but also to those of other Group companies including Mizuho Bank and Mizuho Corporate Bank. By solving a wide range of problems for all customers regardless of whether they are individual or corporate, MHTB is striving to establish the top asset and wealth management brand and to become the trust bank that customers trust the most.

CSR Topics for FY2008

- Development and sales of CSR products (actively using emissions credit trusts)
 - Promotion of power consumption reduction in order to accomplish the greenhouse gas emission reduction plan
 - Acceptance of workplace study tours by university students
 - Promotion of community charitable activities
- Branches: cleanup activities around the offices; Head Office: activities with the assistance of NPOs

Mizuho Asset Management

Aiming to receive high commendation from customers

As a company that leads Japan's asset management industry, MHAM aims to receive high commendation from customers by championing the management principles of customer-orientedness, social contributions, and a corporate culture that respects individuality.

Mizuho Private Wealth Management

Continually providing high-quality services and solutions

Based on the Japanese legal system, for customers from whom the company receives in trust large amounts of assets to manage, Mizuho Private Wealth Management continually provides high-quality services and solutions that surpass those of European and American financial institutions.

Trust & Custody Services Bank

Aiming to become the best partner for asset administration

Based on the principle of developing its asset administration services into strategic products and a comprehensive service business for asset administration, TCSB aims to become the best, most trusted, asset-administration partner for its customers.

DIAM

The following icon indicates individual statements by DIAM. **DIAM**

Providing global asset management services

Based on the management principle of "FOR THE CUSTOMER," DIAM aims to be an asset management company that contributes to customers and society by providing global asset management services through its offices and subsidiaries in Tokyo, London, New York, Singapore, and Hong Kong.

Group Strategic Subsidiaries

Mizuho Research Institute

The following icon indicates individual statements by MHRI. **RI**

Acting as the Group's think-tank

As the Group's think-tank, MHRI possesses advanced research functions and solution functions on par with those of foreign-affiliated companies, and aims to contribute to customers' prosperity and to social development.

Mizuho Financial Strategy

A financial advisory company for financial institutions.

Mizuho Information & Research Institute

The following icon indicates individual statements by MHIR. **IR**

Operating as a business partner whose core technology is IT

With IT as its core technology, MHIR aims to be a true business partner that realizes customers' strategic visions through the three services of consulting, systems integration, and outsourcing.





Highlight 2008 **1**

Supporting the Growth of Renewable Energy in Bulgaria

Bulgaria Cape Kaliakra

We contributed to the growth of regional wind power generation and the acquisition of emissions trading credits by Japanese firms.
— Mizuho supported the project through sophisticated financial technology.

Bulgaria is familiar to the Japanese as the source of a famous yogurt. Now thirty-five wind power generators have been built on Cape Kaliakra, which lies at the eastern end of the country on the coast of the Black Sea.

It is hoped that these facilities will play a major role in helping Bulgaria achieve its goal of supplying 16% of its total electricity consumption through renewable energy by 2020, in line with the commitment it made to reduce greenhouse gases when it joined the EU in January 2007.

Together with the Japan Bank for International Cooperation (JBIC), MHCMB provided a syndicated loan*1 for a joint project between Mitsubishi Heavy Industries and a local firm in March 2007. The deal provided financial support for a landmark project that helped Japanese firms acquire emissions credits while contributing to the growth of renewable energy in Bulgaria. The wind power generation facilities for this project went into operation in June 2008.

***1 Syndicated loans**

Multiple financial institutions create a loan syndicate to meet finance needs by getting together to provide loans on common terms.

Joint Implementation (JI) Project between Japan and Bulgaria

MHCMB and JBIC extended a syndicated loan totaling around €37 million to Kaliakra Wind Power AD (KWP) for the funding of a wind power plant in Bulgaria. KWP was established jointly by Mitsubishi Heavy Industries and a local construction company, INOS.

KWP has applied this loan to the construction of a 35,000kW wind power generation plant on Cape Kaliakra on the Black Sea. The plant started operations in June 2008. It sells all the electricity it generates to Bulgaria's National Electricity Company (NEK), replacing some of the electricity supplied by existing power stations. In addition to reducing Bulgaria's CO₂ emissions by an estimated 85,000 tons annually, it makes a major contribution to the country's commitment to promote use of renewable energy and improve energy independence.

An application has been submitted to recognize the



Opening ceremony (July 25, 2008)

We Gained Invaluable Experience and Know-how as We Responded to the Risks Unique to Wind Power Generation

In serving as the sole commercial mandated lead arranger for this project finance deal, MHCB's prime focus was to minimize lenders' risk exposure while allocating risks so that JBIC, Mitsubishi Heavy Industries, Bulgarian companies, the Bulgarian government and other parties involved in the project could achieve their individual objectives.

More specifically, wind power generation projects involve several unique types of risk, including wind risk – the volatility of unpredictable wind speeds – and electricity tariff price risk – the possibility that electricity purchase prices can be affected by government policies. How to identify, analyze and mitigate these risks is therefore a major consideration.

As a result, we applied a creative approach to deal with wind risk, establishing reserves to deal with situations where the wind did not blow as expected, and adjusting repayment amounts on a seasonal basis to deal with seasonal variations in wind speeds. To

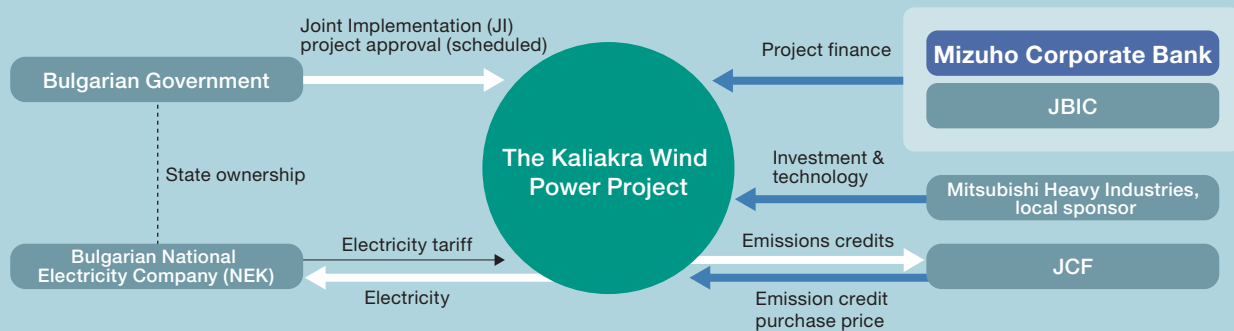
deal with electricity tariff price risk, we structured long-term electricity sales contracts while carefully verifying the situation affecting electricity supplies in Bulgaria, as well as noting its commitment as part of an EU directive to increase the amount of electricity generated by renewable energy.

Drawing on the experience and know-how we have acquired through this project, we plan to extend our capabilities further, seeking additional business opportunities in the area of wind power generation deals moving forward.



James Morris

Europe Structured Finance Division
Mizuho Corporate Bank



project as a JI*2 deal between Japan and Bulgaria to reduce global warming, and if the approval comes through, the CO₂ reductions will be recognized as emissions credits. Current plans call for the initial 35,000 tons' worth of emissions credits to be sold to Japan Carbon Finance, Ltd. (JCF), which was established under the leadership of JBIC. JCF will act in coordination with Japan GHG Reduction Fund (JGRF)*3 to help Japanese companies acquire the credits.

***2 JI: Joint Implementation**

Allows industrialized countries to earn emission reduction units (ERUs) from emission-reduction or emission removal projects in which they cooperate through foreign investments and technology transfers in other countries.

***3 Japan GHG Reduction Fund**

Established to purchase carbon credits arising from greenhouse gas reduction projects implemented in developing countries and elsewhere, and distribute the returns to investors. It is hoped that it will contribute to achieving the reduction targets stipulated in the Kyoto Protocol, or the voluntary action plans drawn up by the industrial sector.

Extending Worldwide the Mechanism for Sharing the Benefits among All Project Participants

Assuming the project goes smoothly, the electricity gener-

ated by the clean energy will be distributed in Bulgaria while the Japanese firms participating in the project will earn profits on their investments and carbon credits, creating a win-win situation. We believe this mechanism will serve as a model on which Japan can base its future participation in wind power projects around the world.



Participants in the opening ceremony

At the same time, the experience gained in supporting such projects through financial operations will be a major asset for Mizuho. This is particularly true because it is the first project finance deal in eastern Europe to involve emissions trading. As such, it is expected to provide a firm foothold for expanding this business from western Europe, where the carbon credits market is steadily maturing, to eastern Europe.

Looking ahead, Mizuho will continue to accumulate know-how on emissions trading and will contribute to the growth of power generation using renewable energy sources around the world.



Highlight 2008 ②

Initiatives for Promoting the Clean Development Mechanism (CDM)

The first-class technologies of large companies are proving useful in reducing the CO₂ emissions of SMEs.

— Mizuho contributes to the reduction of CO₂ emissions among domestic companies overall by spreading awareness of this mechanism.

The Clean Development Mechanism (CDM) was launched in 2008 as one of the measures for achieving the greenhouse gas emission reduction targets set by the Kyoto Protocol. Mizuho makes use of the know-how and networks built up by group companies to support the dissemination of information concerning this mechanism, which benefits both large companies and SMEs.

What is the CDM?

When the Kyoto Protocol formally came into force, Japan was obligated to reduce its emissions of CO₂ and other

greenhouse gases by 6% compared with 1990 levels by 2012. To achieve this, Japan's business community has come together to tackle the issue of reducing CO₂ emissions. Because SMEs face a large capital expenditure burden, however, energy conservation measures have not made adequate progress and many companies still have ample leeway to make further emissions reductions.

Faced with this situation, the Ministry of Economy, Trade and Industry (METI) introduced the CDM in line with the Kyoto Protocol Target Achievement Plan approved by the Cabinet in March 2008 with a view to promoting reductions in CO₂ emissions among SMEs. Using this scheme, SMEs endeavor to reduce their CO₂ emissions

Key CDM application candidacies supported by Mizuho as of the end of March 2009

Adopting company	Sector	Details of emission reduction projects (application methodology)
Ito Chuuzou Co., Ltd.	Casting business	Industrial furnace renovation
Shouchi Kinzoku K.K.	Hardware manufacture	New installation of lighting facilities
Tashiro-SS Co., Ltd.	Manufacture of wooden fixtures	Air-conditioning facilities upgrade
Fukushima Foods Co., Ltd.	Food manufacture	Boiler renewal

If the above-mentioned initiatives are implemented as an emissions reduction business, we estimate CO₂ emissions will be cut by a total of around 8,000 tons/year.

Making the Most of Extensive Networking with SME Managers

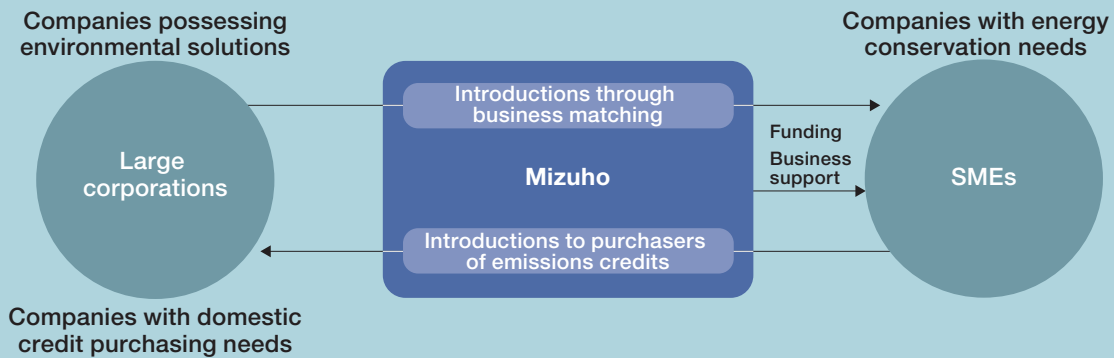
Since before the launch of the CDM, we at MHBK have been promoting environmental business matching, providing the support needed to bring companies who have adopted a positive approach to environmental measures into contact with companies that possess ample environmental solutions. I believe that these steady efforts have borne fruit because many SMEs consult us or make inquiries about the CDM these days.

This scheme could become an extremely effective solution for managers who wish to reduce their environmental impact while at the same time improving their management efficiency amidst today's severe economic conditions. We believe that contributing to a reduction in Japan's domestic CO₂ emissions is an important initiative from the perspective of fulfilling our social mission as a financial institution. "Ji-kaku" – or self-awareness – of our involvement in promoting a scheme that is so advantageous to society greatly motivates us as we propose its use to customers.

The CDM has really only just started. In addition to making related proposals to as many companies as possible, we intend to make ourselves useful to customers by promoting environmental business matching between large enterprises and SMEs, and helping customers resolve their environment-related management issues.



Kenichi Hasegawa
Business Marketing Team
Business Solutions Division
Mizuho Bank



while receiving technical and funding support from large enterprises. At the same time, large enterprises can purchase the credits resulting from these endeavors and use them in achieving the targets established by their own action plans by counting them as their own reductions.

Extensive Initiative for Scheme Promotion

In October 2008, Mizuho became the only megabanking group in Japan to be entrusted by METI with the business of promoting the CDM. This was tantamount to recognition of Mizuho's ample knowledge and strong record in the area of emissions trading, and its environmental business matching initiatives aimed at SMEs, the main target of the CDM.

As the main liaison for promoting the scheme, Mizuho Information & Research Institute (MHIR) provides information through briefings and the like. MHBK supported SMEs who are interested in strengthening their environmental programs by providing them with opportunities to meet large companies with environmental solutions at the "Environmental Business Matching

Forum" and similar events.

In December 2008, MHIR was subcontracted to provide software support for the scheme. The software support business involves assistance in drawing up the emissions reduction business plans that SMEs need to be eligible for the scheme, as well as providing free consultations on reducing emissions, and many domestic companies have been helped to date.

Mizuho will continue to contribute to the reduction of CO₂ emissions among domestic companies by popularizing this mechanism.



A seminar on the CDM at the Environmental Business Matching Forum.

The Group Progressing Initiatives as a Whole: Setting CSR Activities as the Core of Our Code of Conduct while Promoting Our Five Priority Areas

Basic Approach and The Mizuho Code of Conduct

In order to coexist with international society, Mizuho must further strengthen initiatives that take into account the needs of a wide range of stakeholders and the global environment with a view to creating a society capable of sustainable development. Based on this approach, Mizuho places CSR initiatives at the heart of its corporate activities as it works both to fulfill its responsibilities in its core business and to make the most of the management resources it has built up through its core activities.

When engaged in these activities, we depend on the Five Basic Principles of the Consolidation announced when Mizuho was first established, and The Mizuho Code of Conduct to guide us in our managerial decision making and

daily behavior. Additionally, in order to pursue CSR activities that adopt a global perspective, we participate in international initiatives such as the United Nations Global Compact*1 and the UNEP Finance Initiative*2.

***1 UN Global Compact**

Ten voluntary, universal principles in the areas of human rights, labor, the environment and anti-corruption that the UN encourages companies and civil society organizations to support and enact within their sphere of influence.

***2 UNEP Finance Initiative (UNEP FI)**

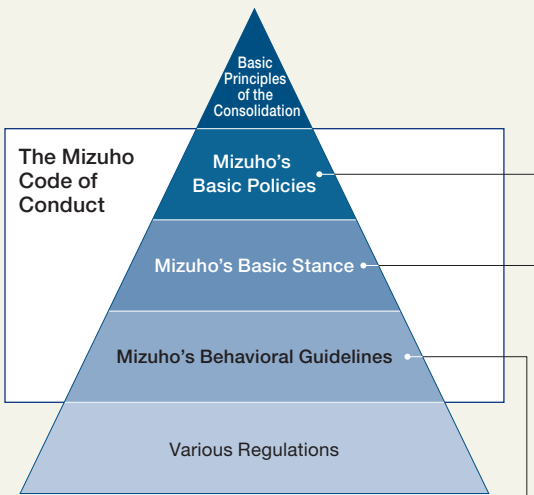
Aims to identify, promote and realize the adoption of best environmental and sustainability practices at all levels of financial institution operations.



The UN Global Compact



The UNEP Finance Initiative (UNEP FI)



Based on the group-wide policies of "Mizuho's Basic Policies," the "Mizuho Code of Conduct" is constructed on stances toward stakeholders ("Mizuho's Basic Stance") and how managers are expected to behave ("Mizuho's Behavioral Guidelines").

Mizuho's Basic Policies

1. Social Responsibility and Public Mission

- As Japan's leading comprehensive financial group, we will remain conscious of the importance of our social responsibilities and public mission at all times, and dedicate ourselves to sound management based on self-responsibility.
- We will encourage close communications with society, and work to ensure that our corporate activities conform to social common sense.

2. The "Customer First" Principle

- We will place our customers first and ensure that they are provided with the best possible services at all times.
- We believe that earning the customer's trust is the basis for winning the trust of shareholders, the local community and all other stakeholders.

3. Complying with Laws and Regulations

- We are committed to strict observance of all laws and regulations as we go about our corporate activities in a fair and honest manner in conformance with the norms accepted by society.
- We will comply with international rules, obey the laws of different regions around the world, and respect their customs and cultures.

4. Respect for Human Rights

In addition to ensuring that we respect everyone, including our customers, executives and employees, and value fundamental human rights in all our activities, we will work to create a corporate culture in which the spirit of respect for human rights is all-pervasive.

5. Disavowal of Anti-Social Elements

We firmly state our opposition to the activities of any entity that threatens the rule of law and public order or safety.

Mizuho's Basic Stance

- | | |
|--------------------------------------|---|
| 1. Basic Stance toward Customers | 4. Basic Stance toward Employees |
| 2. Basic Stance toward Shareholders | 5. Basic Stance toward Suppliers and Competitors |
| 3. Basic Stance toward the Community | 6. Basic Stance toward Political and Governmental Officials |

Mizuho's Behavioral Guidelines

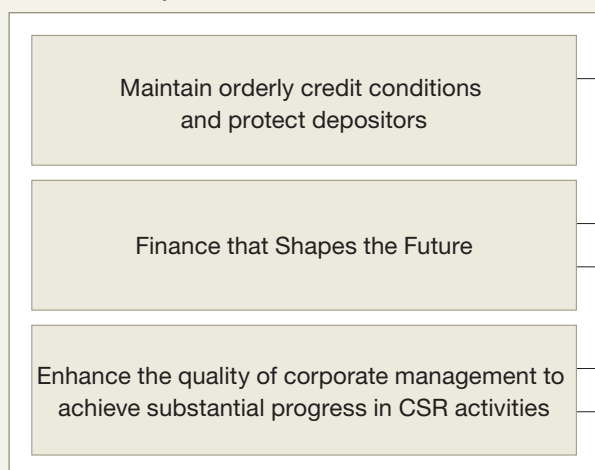
- | | |
|---|---|
| 1. Maintaining Order in the Workplace | 4. Prohibition on Conflicts of Interest |
| 2. Prohibition on Private Use of Corporate Assets | 5. Temperate Private Behavior |
| 3. Appropriate Management of Information | |

CSR Priority Areas

Mizuho believes that financial institutions are expected to shoulder three forms of CSR: (1) Ensure sound management practices in order to maintain orderly credit conditions and protect depositors; (2) Offer finance that shapes the future; and (3) Enhance the quality of corporate management to achieve substantial progress in CSR activities. We have taken up the challenge of tackling these three forms of CSR in five priority areas: “Intrinsic business responsibility” to ensure the practice of responsible financial investment in order to maintain orderly credit conditions and protect depositors; “Environmental

initiatives,” which means using our characteristics as a financial institution to contribute to the resolution of environmental issues; “Support for financial education” to ensure that the know-how we have acquired through our core activities is made available to society for its own use, committing us to making the most of our core activities to contribute to the healthy nurturing of the next generation who will be responsible for society’s future; “Highly responsive communications,” which means taking up the challenge of focusing on dialog with stakeholders in order to ensure transparency and trust as a company; and “Enhanced corporate governance,” which means building a corporate governance framework that is premised on maintaining fairness and integrity in our corporate activities.

CSR Imperatives of Financial Institutions

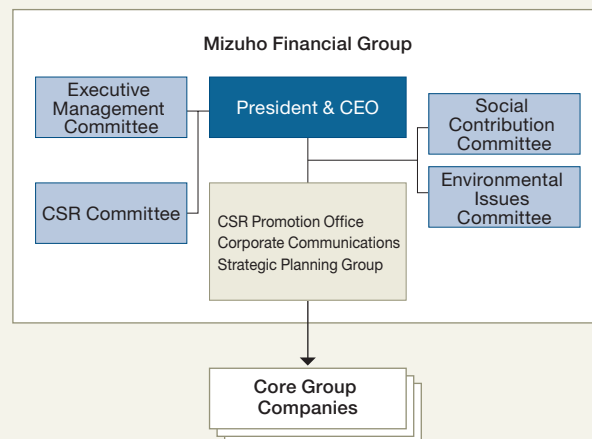


Priority Areas



CSR Promotion Structure

To promote integrated group-wide CSR activities, the holding company MHFG has established a Business Policy Committee known as the CSR Committee which discusses and coordinates company and group CSR policies and measures. Policies and measures decided by this committee are rolled out across key group companies, each of which submits regular reports on progress and moves its initiatives forward.




C L O S E U P

Facilitating Corporate Finance

Highly Conscious of the Public Nature of Financial Institutions and the Expectations Put on Them, We Are Further Strengthening our Efforts to Satisfy Funding Needs and Deal with Management Issues

The confusion in the financial markets that originated in the US subprime loan problem has spread across the globe, casting a dark shadow over Japan's real economy. For economic activity to remain healthy and develop, it is essential to create an environment that allows a smooth supply of the funds necessary for corporate activities. Mindful of our public character as a financial institution and the role we are expected to play as such, we are proactively engaged in facilitating corporate finance through our dual efforts to meet corporate funding needs and help companies deal with management issues.


What does facilitating corporate finance involve?

 We work to ensure the sustainable development of corporate management by responding to the varied funding needs of companies through the provision of adequate funds to meet their requirements as quickly and thoroughly as possible.

Facilitating corporate finance thus means quickly and thoroughly providing companies with as much funding as possible to meet their diversifying needs. Just as it is essential for our health to ensure that our blood keeps flowing, so it is vital to ensure a smooth flow of money – the economy's life blood – in order to sustain the healthy development of economic activity.

SMEs* play an enormous role in underpinning the Japanese economy, accounting for over 99% of business establishments and over 80% of all employees. However, their funding sources are generally limited in comparison with large enterprises because they find it difficult to raise funds from the capital market. With the rapid deterioration in Japan's domestic economy since the fall of 2008, financial institutions have been asked to ensure a smooth supply of funding in line with the policies of the government and the Bank of Japan.

How has Mizuho responded to the rapid economic slowdown since the Fall of 2008?

 We are making greater efforts to facilitate funding for SMEs from the dual perspective of their funding needs and their initiatives to deal with management issues.

More aware than ever of our public character as a financial institution and the role we are expected to play, we are strengthening our responses to their needs and striving to facilitate corporate finance in cooperation with other group companies.

To provide people with a better understanding of these efforts, MHBK declared its intention to work harder at facilitating corporate finance in October 2008 when it put together a statement on its dual approach to dealing with funding needs on the one hand and management issues on the other.

* As defined by the Small and Medium Enterprise Basic Law

Manager's Comments

As the business environment facing customers changes dramatically, we are striving to provide smooth funding while feeling the increasing weight of their expectations towards us as a bank. Our aim is to provide strong support for our customers' businesses by sharing their management problems through dialog, and responding with highly specialized services.



Katsuaki Kinkawa
Planning Team
Corporate Banking Planning Division
Mizuho Bank

Q3 Please give us some specific examples in connection with funding needs.

A3 We have adopted a three-pronged initiative: promoting loans with credit guarantee corporation guarantees; devising finely-tuned responses to customers among small-scale enterprises; and expanding the range of loan products tailored to a variety of needs.

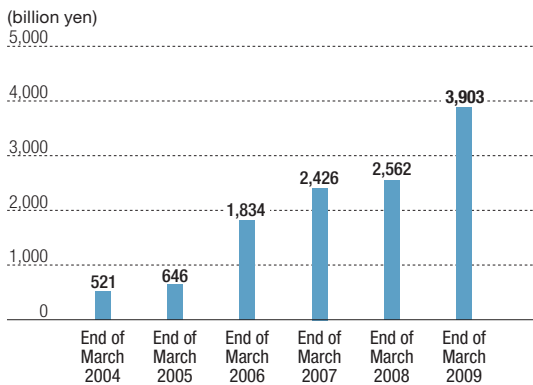
MHBK has adopted a three-pronged approach to satisfying corporate funding needs.

First, it is proactively promoting loans with credit guarantee corporation guarantees in line with the Emergency Guarantee Scheme launched in October 2008. Second, it is using Mizuho Business Financial Center's 47 branches around the country to devise finely-tuned responses to the funding needs of small-scale enterprises and individuals (as of the end of March 2009). Third, it is expanding its range of financial products to meet the broadening, increasingly sophisticated needs of customers.

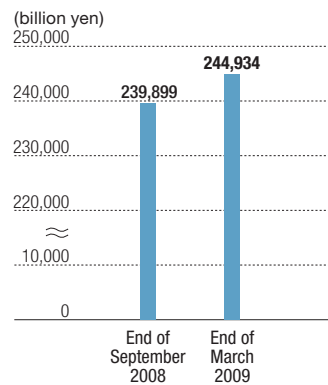
As a result of strengthening these efforts, Mizuho's outstanding loans to SMEs increased by approximately ¥500 billion at the end of March 2009 compared with the end of September 2008.



Mizuho Business Financial Center: Actual New Loans



Balance of Loans to SMEs at MHBK



An example of Loan Products

This covers "Mizuho Movable-backed Loans," which use movables such as machinery and equipment as collateral, and "Mizuho Asset-based Loans," which use accounts receivable, products and other operating revenue assets as collateral. Loans under the "Mizuho Eco-special" and "Mizuho Eco-assist" schemes, which support customers who adopt a positive approach to environmental issues, are also growing steadily.

Q4 Can you give us more details of Mizuho's efforts to deal with customers' management issues?

A4 We are striving to provide more appropriate support for customers' management problems by developing increasingly sophisticated solutions.

In addition to responding to funding needs, MHBK's head office and branches are working together to provide proactive business support, making the most of its expertise and know-how as a bank specializing in transactions with customers to deal with the various problems they face in such areas as expanding their customer bases or overseas operations. More specifically, MHBK offers highly specialized management support services suited to its customers' business needs, from business matching – introductions to Mizuho customers – to support for overseas business expansion and consulting on business inheritance.

Promoting Activities by SMEs and Middle-market Corporations

As part of its efforts to promote the SMEs and middle-market corporations that are the driving force behind the Japanese economy, Mizuho has been supporting the Medium and Small Business Research Institute since its founding in 1966. We support the Good Company Grand Prix Award program, which is sponsored by the Center, and its empirical surveys and research.

WEB <http://mizuho-fg.co.jp/english/csr/soundness/column.html>

The Public Nature of Financial Institutions

The Functions of Financial Institutions

➤ Providing financial intermediary and settlement functions

Financing takes two forms: direct financing – where the provider makes funds available to the recipient directly and indirect financing – where an institution existing between the two borrows funds from one and lends them to another. Securities companies are the main players in direct financing, while banks are the main players in indirect financing. In recent years, a new form of financing known as market-oriented indirect financing has come into being halfway between direct and indirect financing. The functions that facilitate the flow of money between fund providers and recipients are known collectively as the “financial intermediary functions.”

Finance also fulfils a “settlement function.” Settlement refers to the act of paying consideration for purchases of goods and services and usually takes the form of bank transfers, credit card payments, checks or bills. Since these settlements take place via accounts at banks and other entities, they are considered one of the functions offered by financial institutions.

The Characteristics of Financial Institutions

➤ Sound management is essential for protecting depositors and maintaining orderly credit conditions

Of the various financial institutions in existence, ordinary

people are most familiar with banks, which provide the fund intermediation function and deposit services, and offer settlement functions. If a bank runs into business difficulties, the impact extends to corporate borrowers and other customers as well as depositors. Moreover, since transactions between banks involve enormous amounts of funds, the failure of a single bank may trigger a chain reaction in which several other banks also fail.

In order to protect depositors and maintain orderly credit conditions, bank managements are required to maintain a healthy financial base to a much greater extent than the managements of other companies. Given the public nature of our operations, we shall facilitate finance and contribute to the healthy development of the global economy.

Promoting Sound Management

Bearing in mind the public nature and influence of financial institutions, we are promoting sound management in order to maintain orderly credit conditions and ensure protection.

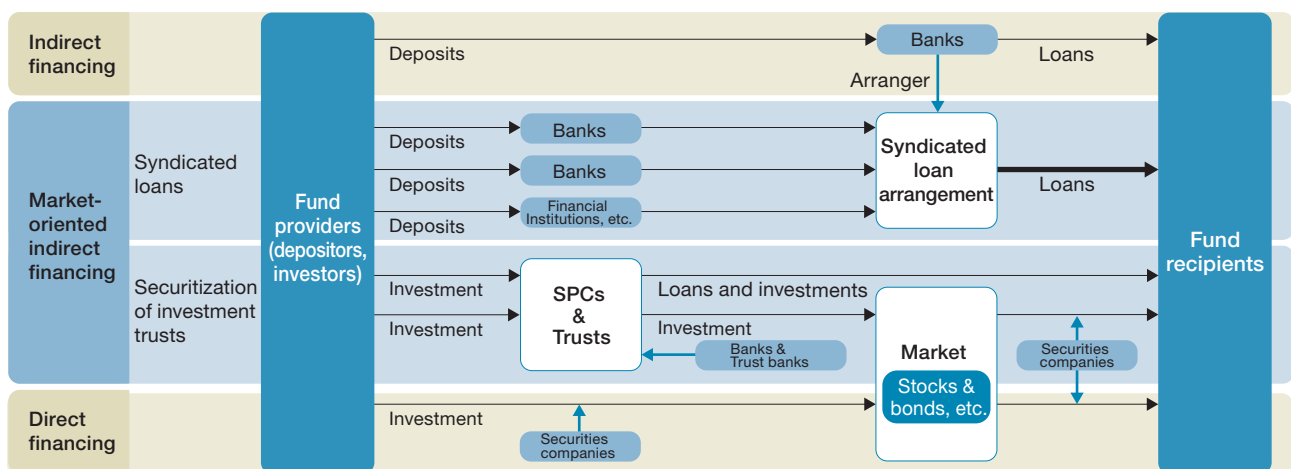
Summary of Income Analysis

➤ We shall strengthen our earning power through appropriate allocation of management resources and financial services that satisfy client needs

In fiscal 2008, MHFG’s Consolidated Net Business Profits increased by ¥114.4 billion year-on-year to ¥622.6 billion due to the recovery in performance of Mizuho Securities which had recorded significant losses for the previous fiscal year.

In contrast, the aggregated real Net Business Profits* of

Financial Intermediation Function



MHBK, MHCB and MHTB fell by ¥285.0 billion year-on-year to ¥576.6 billion. The reasons for this are mainly because of decreases in income related to business with domestic corporate customers (SMEs), fee income associated with sales of investment trusts and individual annuities, fee and commission income from overseas business which was affected by the turmoil in the global financial markets, and income from the trust and asset management business of Mizuho Trust & Banking which was affected by domestic real estate market conditions.

Consolidated Net Income for fiscal 2008 amounted to ¥-588.8 billion, a year-on-year decrease of ¥900.0 billion. This was primarily due to, in addition to the aforementioned factors, an increase in both domestic and overseas Credit-related Costs mainly against the backdrop of the sharp economic downturn as well as the conservative provision of reserves in light of the unforeseeable future of the economic environment, the recording of one-time losses associated with the sharp declines in both domestic and overseas stock prices, continuously recorded losses on securitization products and others resulting from the global financial market turmoil, and the effect of conservative estimates of future profits in relation to the calculation of deferred income taxes.

Financial Soundness

➤ We are endeavoring to maintain the capital adequacy ratio at appropriate levels

We maintained our financial soundness at a high level, as reflected in the consolidated capital adequacy ratio (BIS Standard) of 10.53%.

	(%)	
	FY2007 results	FY2008 results
Capital Adequacy Ratio	11.70	10.53
Tier 1 capital ratio	7.40	6.37

Disciplined Capital Management

➤ We are endeavoring to strengthen the capital base and ensure steady returns to shareholders

We are pursuing “strengthening of stable capital base” and “steady returns to shareholders” under our “disciplined

Action Plans

In light of factors including the current financial market turmoil and global economic downturn, we have been putting more priority on “strengthening of stable capital base” since the second half of fiscal 2008 in order to prepare for a further adverse business environment. We will continue to focus on strengthening our capital base as the current management priority since it has become increasingly important for financial institutions to maintain sufficient capital base amid a prolonged stagnation of both domestic and overseas economies.

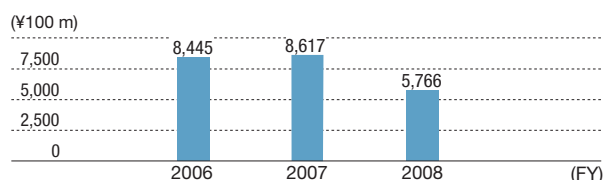
capital management.” In July 2008, we repurchased our common shares of ¥150.0 billion and cancelled almost all of them in September 2008.

We issued non-dilutive preferred securities amounted to ¥303.0 billion in July 2008, ¥355.0 billion in December 2008, and US\$ 850 million in February 2009, respectively, through our overseas special purpose companies, so as to enhance our group’s capital base in light of the current financial market turmoil, in addition to securing the agility and improving the flexibility of our capital strategy.

Furthermore, we issued non-dilutive preferred securities of ¥139.5 billion in June 2009.

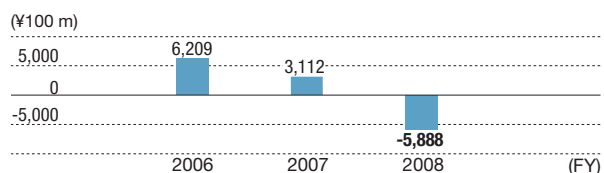
In July 2009, we decided to issue up to 3.0 billion shares of our common stock (with equivalent total amount of the issue price of ¥529.2 billion) so as to enhance our prime capital, the capital element which has a stronger ability to absorb losses in Tier 1 capital (core items in calculating of the capital ratio).

Net Business Profits*

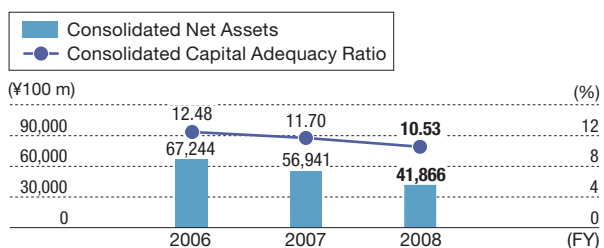


* Net Business Profits are the aggregated total for MHBK, MHCB and MHTB

Consolidated Net Income



Consolidated Net Assets and Consolidated Capital Adequacy Ratio



Towards Responsible Investments and Loans

Basic Policies for Investments and Loans

Participation in the UN's "Principles for Responsible Investment" (PRI)

Mizuho participates in international initiatives and initiatives that respect international standards in order to contribute to the realization of a sustainable society by promoting investment activities that take into consideration social and environmental factors as well as economic factors. MHTB has signed up for the UN Principles for Responsible Investment (PRI), which ensure that institutional investors and pension funds, etc., incorporate environmental, social, and corporate governance issues into their decision-making processes.



The Equator Principles

We have adopted the equator principles*

In October 2003, MHC B became the first Japanese bank to adopt the Equator Principles, a common mechanism that allows financial institutions engaged in project finance to confirm whether particular deals take into consideration their impact on local communities and the natural environment.



* The Equator Principles

The Equator Principles are common standards employed by financial institutions to confirm that project finance schemes totaling US\$10 million or more take their environmental and social impact into consideration.

Implementation of the Equator Principles

(Cases)

Category	Commentary	FY2006	FY2007	FY2008
A	Projects with potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.	1	3	1
B	Projects with potentially limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.	37	50	19
C	Projects with minimal or no social or environmental impacts.	1	1	1

Carbon Accounting

Calculating the CO₂ emissions and CO₂ emissions reductions of power generation businesses that we finance

Carbon accounting is a mechanism for evaluating businesses by calculating the volumes of greenhouse gases they generate through their business activities and converting them to their CO₂ equivalent. Since fiscal 2006, MHC B has been disclosing the results of calculations using a carbon accounting method it developed itself to measure CO₂ emissions from power generation businesses for which it provided project finance. It also calculates and discloses CO₂ emissions reductions that take the coal-fired power generation business as a baseline.

Towards Resolving Social Problems through Financial Functions

Support for Disaster Relief

We support efforts to bring relief for disaster victims through financial services as quickly as possible

MHBK has started offering "Disaster Recovery Loans" to ensure that victims of earthquakes and other natural disasters receive support through financial services as quickly as possible. It has also started applying lower interest rates to loan products and introduced certain special measures concerning deposit withdrawals and pre-maturity cancellations.

In fiscal 2008, it took the following measures to respond to the 2008 Iwate-Miyagi inland earthquake in June, the Iwate north coast earthquake in July, and the floods in the Tokai region in September.

- Disaster Recovery Loans
Offered secured and unsecured loans at lower than usual interest rates to people who had been affected, or owned property that had been affected by the disasters
- Applied Interest Rate Cuts to Financial Products
Reduced the interest rates applicable to “Super Wide” loan products for SMEs.
- Special Measures
Measures to allow depositors who have lost their bankbooks or registered seals to make withdrawals by proving their identity.

Loans to Low- and Middle-income Earners

▶ We cooperate with NPOs who support housing acquisitions by low- and middle-income earners, and their loan repayments

The Neighborhood Housing Services of New York City (NHS), an NPO headquartered in New York, cooperates with domestic and overseas financial institutions in supporting low- and middle-income earners in acquiring and improving dwellings. Since more people found it difficult to repay their housing loans as a result of the deteriorating financial environment in 2008, we have strengthened our advisory services in connection with reviewing household finances and altering repayment schedules.

Since it is keen to make a proactive contribution to regional communities as a corporate citizen, Mizuho has lent or donated business funds for the activities of NHS over the past 20 years or so, cooperating on the organizational management side, and supporting volunteer activities.



The Private Sector Prize award ceremony

In recognition of its activities over so many years, NHS awarded our local entity Mizuho Corporate Bank (USA) the Private Sector Prize in November 2008.

Working to Maintain Society's Confidence

Money Laundering Prevention

▶ We use a system that is capable of comprehensively monitoring large numbers of accounts on a continuous basis

Recent years have seen a succession of cases involving international money laundering and funding for terrorists, and the risk that Japanese bank accounts might be used in such crimes has increased. Because of the strong possibility that these crimes could lead to an increase in earnings from criminal behavior and trigger other crimes, Mizuho is strengthening its measures to prevent crimes such as money laundering by establishing specialist departments whose mission is to maintain and enhance trust in financial institutions as social systems, and protect customers from crime.

In December 2008, MHBK, MHCN and MHTB became the first Japanese banks to introduce an advanced Anti Money Laundering (AML) Monitoring System that had proved its worth at many banks in the United States and Europe.

We have high expectations of this system, which is capable of comprehensively monitoring many accounts on a continuous basis. It automatically detects transactions that show up as abnormal when measured against certain rules governing the amounts and number of transactions. An additional function uses statistical methods to detect anomalies in individual accounts by comparing and analyzing historical transaction patterns.

Mizuho is committed to strengthening its anti-crime stance still further by enhancing its AML monitoring system operational know-how and business skills as part of its proactive efforts to maintain the soundness of its financial services and protect customers.



Ceremony to Mark the Start of Operations of the AML Monitoring System

Action Plans

Bearing in mind the public nature and impact of our core business, we shall continue to engage in responsible investment and loan operations while maintaining the soundness of our financial services and protecting our customers.

The Entire Group Is United in Working to Reduce Its Environmental Impact

We Receive A Letter of Appreciation at the "Chikunetsu no Tsudoi" Gathering

Mizuho became the first megabank to receive a letter of appreciation at the 11th "Chikunetsu no Tsudoi" gathering sponsored by the Heat Pump and Thermal Storage Technology Center of Japan (HPTCJ) in July 2008.



The letter was in recognition of the fact that the head offices of MHBK and MHCB have installed and operate multi heat storage air conditioning systems for office buildings.

Manager's Comments

I am thrilled that we received a letter of appreciation at the "Chikunetsu no Tsudoi" gathering. With regard to the old thermal storage tank that existed from the time construction started, I believe that we won recognition because of our predecessors' vision and the fact that the central control room continued its steady air-conditioning operations. We will keep exerting maximum efforts to prevent global warming through management and operations that take energy-conservation into consideration.



Yotaro Tsuzuki
Asset Management Group
Mizuho Office Management

Reducing the environmental impact is both an important social responsibility for companies, and an issue that every employee should tackle. From this perspective, Mizuho promotes greenhouse reductions and initiatives aimed at creating a recycling-based society at all group companies. At the same time, it is promoting greater environmental awareness among individual employees so that they and their families work hard to reduce the group's overall environmental impact.

What kind of initiatives have you adopted for reducing the amount of greenhouse gas emissions?

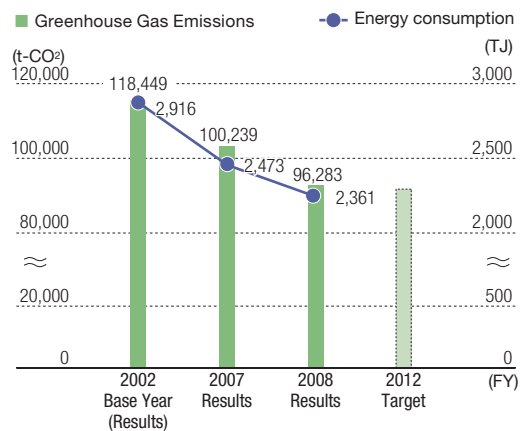
We are working hard to reduce emissions from various perspectives, such as electric power saving.

The entire group is striving to reduce its output of CO₂ and other greenhouse gases. Ten key business facilities*¹ belonging to four main domestic companies have adopted a target of reducing greenhouse gas emissions by 20% of the fiscal 2002 figure by 2012.

Electric power accounts for a large proportion of the energy we consume in our business activities. For this reason, group companies take a proactive approach to installing power-saving facilities and equipment, and the head offices of MHBK and MHCB make use of heat storage air conditioning and similar systems. To ensure that these initiatives spread throughout the entire group, we are in the process of expanding the scope of energy consumption calculations to cover all 13 group companies in Japan, not just the 10 business facilities belonging to four main companies. These calculations will cover approximately 80% of employees on a consolidated basis.

- Examples of other initiatives in progress**
- Introduction of Cool Biz and Warm Biz
 - Introduction of low-emission company vehicles
 - Introduction of a TV conference system to restrict the number of business trips (restricts CO₂ from travel)

Trends in Energy Consumption and Greenhouse Gas Emissions at Ten Key Business Facilities*¹



***1 Ten domestic business facilities belonging to four companies**

MHBK Head Office, MHBK Otemachi Head Office, MHBK Administration Center 1, MHBK Administration Center 2, MHBK Administration Center 3, MHBK Information Center, MHCB Head Office, MHCB Information Center, MHTB Head Office, and MHIR Information Center and the Marunouchi 2-chome Building. MHFG and other group companies lease the MHBK Otemachi Head Office building, but because it is to be rebuilt, have moved to a newly leased property in the Marunouchi 2-chome Building. Because of duplicate use of two buildings during the transition, therefore, calculations for fiscal 2008 included the Marunouchi 2-chome Building.

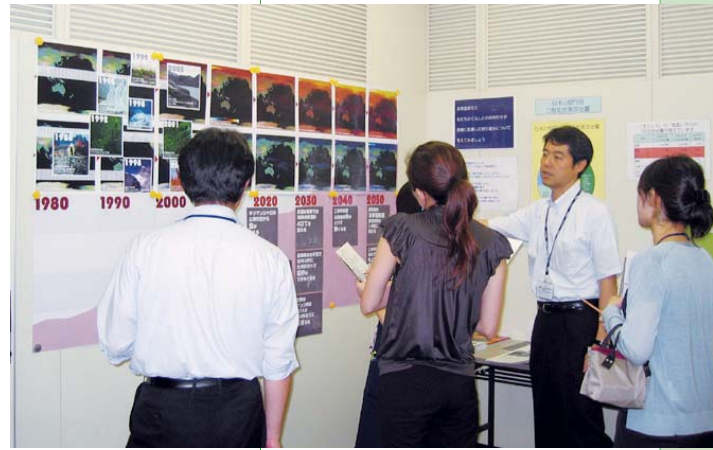
Q2 What specific initiatives have you adopted towards achieving a recycling-based society?

A2 We are trying to make more efficient use of resources by, for example, reducing the amount of paper we use.

A recycling-oriented society is a society that minimizes the depletion of resources by promoting “reuse, reduce and recycle.”

Paper is one of the resources that financial institutions use most, and Mizuho has set a target of recycling over 95% of the paper used at 10 business facilities belonging to four main domestic companies by fiscal 2010. The paper-saving campaign run by the group’s holding company, MHFG, helped reduce the amount of paper used in fiscal 2008 by 26.2% compared with the preceding year. Based on these results, this campaign is being extended to group companies.

We are switching to purchases of environmentally friendly products under our Administrative Guidelines and have set a green purchasing ratio target of at least 85% for consumable such as paper and stationery by fiscal 2010.



Q3 What are you doing to raise environmental awareness among employees?

A3 We encourage environmental activities on a daily basis.

Mizuho aims to create a corporate climate in which all employees and their families proactively participate in environmentally-friendly activities. In fiscal 2008, 13 group companies initiated environmental campaigns inviting participation in the CO₂ Diet Declaration campaign, recruiting monitors for environmentally-conscious activities, and holding environmental exhibitions. Looking ahead, we intend to keep up initiatives like this in the hope they will encourage more employees to engage in environmentally-conscious activities.



Cool Biz Fan

CO₂ Diet Declaration Sheet

Manager's Comments

Japan's greenhouse gas emissions have risen 40% compared with 1990 in the business sector, including offices, and the household sector. Since one step by all employees would have an enormous impact, we are working on environmental policies that will lead to greater consciousness in every single employee.

Environmental Campaign Details (FY2008)

● Call to Participate in the CO₂ Diet Declaration

Employees declare steps taken at home to reduce CO₂ emissions, with one tree donated for every 20 declarations.

No. of “declarers”: 15,518 No. of trees donated: 775
Amount of CO₂ reduced from declarations: 876 tons

● Recruitment of Monitors for Environmentally-conscious Activities

Monitors used personal shopping bags to reduce usage of bags dispensed at store check-outs

No. of monitors: 1,000 Period: 2 months No. of bags saved: Approx. 30,000

Environmental Household Account Book Monitors: Monitors recorded date on electricity usage as they pursued energy-saving activities

No. of monitors: 225 Period: 6 months

● Environmental Exhibitions

Exhibitions were held to introduce Mizuho's environmental initiatives and to show the effects of global warming in a bid to raise the environmental awareness of employees

Venues: Held at 4 venues at Mizuho's head office Period: July 2008 (7 days)

No. of employee visitors: 2000 in total

*2 The CO₂ Diet Declaration is a global warming prevention effort organized by The Tokyo Electric Power Co., Inc.

 <http://mizuho-fg.co.jp/english/csr/environment/column.html>



Akiko Murakami
CSR Promotion Office
Corporate Communications
Mizuho Financial Group

Basic Approach

The Basis for Sustainable Development

➤ **We have drawn up basic policies for the environment and the group has adopted an integrated approach towards environmental issues.**

Environmental preservation is vitally important for the survival of humanity and a vast range of other living creatures, and needs to be tackled at the global level.

Based on this awareness and in the belief that the maintenance and preservation of the environment are the foundations for the sustained development of society and the economy, Mizuho has laid out its basic policies for the environment. The group is thus taking an integrated approach to the Environment.

More specifically, the Corporate Communications Division of the holding company MHFG has established a CSR Promotion Office which collects information pertaining to environmental initiatives, formulates plans, submits proposals to the relevant divisions, and provides employees with CSR training that covers the environment as well.

The key group companies have also appointed CSR Promotion Officers. Group companies make use of expert knowledge pertaining to environmental problems and related channels as they endeavor to reduce their environmental footprint through various activities while working to strengthen intra-group ties.

Basic Policies for the Environment

- We are aware that it is our social responsibility to take into account environmental issues as we try to maintain a balance between economic development and environmental preservation.
- In compliance with laws and ordinances relating to the environment, we will engage in energy and resource conservation efforts that include separating and collecting garbage by type, and using recycled materials.
- In addition to supporting environmental protection organizations and our customers' programs for dealing with environmental issues, we will offer financial products and services that contribute to environmental preservation.

Environmental Business Initiatives

Reducing the Environmental Impact of Society as a Whole through Our Core Business

➤ **We are engaged in the environmental business in three areas**

The group believes it is important to reduce the environmental burden it generates through its own business activities, and to reduce the environmental impact of society as a whole through the financial products and services it offers as part of its core business. From this perspective, individual group companies are developing businesses that contribute to the environment according to the nature of their own operations.

Broadly speaking, Mizuho's environmental businesses can be divided into three categories. The first is finance proactively providing funds to businesses that will contribute to a reduction in the environmental burden. The second is consulting, surveys and research using the rich experience and advanced knowledge of the group, centered on the think tank MHIR. The third is the development and sales of environmentally-friendly products.

Looking ahead, we intend to engage in wide-ranging environmental business centered on these three sectors.

Group Company Environmental Businesses

MHBK

MHCB

MHSC

MHTB

DIAM

MHRI

MHIR

Finance



Against the backdrop of heightened environmental awareness, companies are becoming more proactive towards investment in environmentally-friendly facilities. Mizuho believes that part of the financial institution's social mission is to provide financial support for activities based on the idea that anything in this area is a social responsibility, and is involved in numerous related initiatives.

For example, MHBK has devised loan products to provide support from a financial perspective for SME clients who are proactively engaged in environmental programs.

For its part, MHCB is involved in environment-related project finance for wind and solar power generation.

- Finance for environmentally-conscious companies
- Housing loans for all-electric homes

- Environmentally-related project finance (wind and solar power generation)

Consulting Services Surveys and Research



Mizuho has developed channels concerning environmental issues with specialist institutions at home and overseas, and works to gather expert knowledge and the latest information. Making the most of this plentiful accumulated knowledge, it offers companies management advice and consulting on environmental problems.

With its many years of experience in the area of contract research and consulting concerning the environment, resources and energy, MHIR especially has established a strong track record and built up a great deal of know-how and information in many areas. It utilizes this in helping companies resolve various issues from an environmental perspective, and supports their corporate and business strategies.

- Environmental business matching
- Business promoting the CDM (in cooperation with MHIR)

- Intermediating emissions trading
- Participation in symposia promoting understanding of the Equator Principles

- Environmental risk surveys relating to real estate

- Surveys and research relating to environmental issues, energy and the environment

- Environmental-related consulting
- Support for clarifying CO₂ emissions using the LCA (Life Cycle Assessment) method
- Emissions credit-related consulting
- Surveys and research relating to environmental issues, resources, energy and the environment

Product Development and Sales



In recent years, environmental awareness has reached more and more of the individuals living in our society, and amidst their daily consumption and investment activities, there is growing demand for methods to contribute to the reduction of their environmental impact. Taking these needs into consideration, Mizuho develops and sells many financial products that incorporate a great many environmentally-friendly concepts. These include the development and management of SRI* funds that select corporate investment targets from the perspective of environmental awareness and other aspects of CSR, and emissions trading trust schemes that meet the need for small-lot trading of emissions credits.

* SRI
Socially Responsible Investment

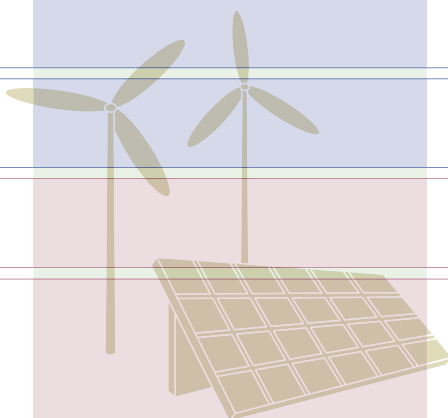
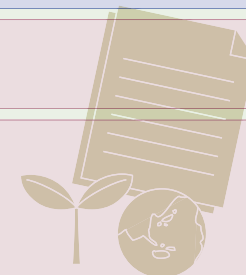
- Donations to environment-related NPOs according to customers' usage of debit card services

- Line-up of SRI funds offered as investment products for defined contribution pension plans

- Sales of SRI funds

- Development and sales of emissions trading trusts
- Entrustment of investment trust Eco Funds

- Development and management of SRI Funds



Cases of Finance

Finance for the Leisure Business BK

Loans under the “Mizuho Eco-assist” scheme

The “Mizuho Eco-assist” scheme offers lower interest rates for investments in environment-related facilities. Loans extended by MHBK under this scheme included finance for the Manyo Club Co., Ltd., which operates “Manyo no Yu” hot spring facilities, to switch from heavy oil to gas. The switch in fuels is forecast to reduce CO₂ emissions by around 18%.

Finance for Solar Power Generation CB

We supported the spread of renewable energy

MHCB extended a loan amounting to approximately ¥7 billion or around 80% of the total cost of a major solar power generation project undertaken in Spain by Sumitomo Corporation.

Like other EU countries, Spain has adopted a highly proactive program to introduce wind and solar power generation as a means of reducing CO₂ emissions. In terms of generating capacity, the power plant is the largest project ever undertaken under the leadership of a Japanese company, and it is estimated it will reduce CO₂ emissions by 180,000 tonnes over its 25-year life.

Thanks to an unusually large amount of sunlight, it has been generating electricity steadily since it started operating in September 2008.



Solar Power-generating Facility in Spain

Environment-related Funding Provided BK CB

	End of March, 2008		End of March, 2009	
	Number	Balance (million yen)	Number	Balance (million yen)
Environment-related project finance	50	70,407	48	88,352
Wind power generation	27	45,046	27	58,116
Hydroelectric power generation	3	3,713	3	1,969
Biomass power generation	1	4,021	1	2,485
Projects for the proper disposal of waste	9	13,170	9	12,923
Recycling business	1	649	1	1,014
Solar power generation Others	9	3,808	7	11,845
Finance for environmentally-conscious companies	49	2,323	123	5,155
Finance for environment-related facilities	4	206	24	3,625
Total	103	72,936	195	97,132

* Outstanding foreign currency-denominated finance converted into yen at the exchange rates prevailing on March 31, 2008 and March 31, 2009.

Cases of Consulting, Survey and Research Services

Consulting in Connection with Emissions Trading CB IR

We provide total support, from creating emissions credits to trading them

Mizuho was quick to focus on the Clean Development Mechanism (CDM)*¹ and accumulate the knowledge and know-how necessary for trading. Through cooperation with group companies, it now provides total support for the CDM, from uncovering projects that create emissions credits and preliminary surveys to test the viability of potential businesses, to applying for and issuing approvals of emission credits, matching potential domestic purchasers of credits, and intermediating trades.

For example, MHIR offers all-round consulting on emissions trading, from providing information on projects to evaluating them and supporting related procedures. In fiscal 2008, it provided support for putting an exhaust heat recovery project implemented by a chemicals company in China's Jiangsu Province on to a business footing under the CDM*², and successfully completed a deal whereby a Chinese power company acquired the resulting CO₂ emissions credits.

MHCB acts as an intermediary in emissions credit deals, and in fiscal 2008, consummated a deal between a UK developer and a domestic company concerning emissions credits that had already been issued.

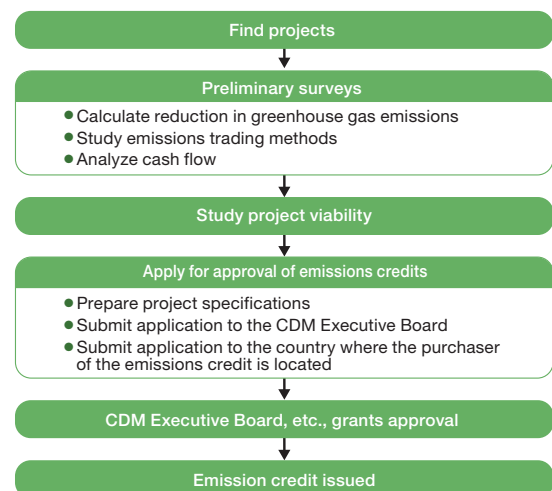
*1 Emissions Trading

The Kyoto Protocol introduced three mechanisms to help signatories meet their targets for greenhouse gas reductions. The three Kyoto Mechanisms - Emissions Trading, Joint Implementation (JI) and the Clean Development Mechanism (CDM) - introduced market-based transactions to allow more flexible responses. In the case of emissions trading, emissions credits arising from surplus emissions reductions can be bought and sold between companies and countries in the carbon market to make up for shortfalls in emissions reductions.

*2 CDM

Clean Development Mechanism. Participants in projects share the emissions credits.

The Emissions Trading Mechanism



Support for Clarifying CO₂ Emissions Using the LCA (Life Cycle Assessment) Method IR

Provides a mechanism for quantitative evaluations of environmental impacts

In recent years, companies have been expanding their efforts to make the environmental impact of their individual products more visible in terms of CO₂ and other emissions. Particular attention has been paid to the LCA method, which quantitatively analyzes and evaluates the environmental impact of a product right through its life cycle, from procurement of raw materials to manufacture, use, disposal and recycling.

MHIR initiated research on LCA right from its inception, and now has one of the leading stores of data and know-how in the sector. Exploiting these results to the maximum extent possible, it offers services to help make CO₂ emissions visible using the LCA method. This support extends from LCA evaluations of individual products to helping clients build their own systems for LCA evaluations.

● Example of LCA Evaluations

MHIR conducted an LCA analysis of Lion Corporation's "Top" detergent for clothing, confirming that compared with earlier products from the same company, it reduced CO₂ emissions by 51% in terms of the amount of detergent used per wash.



Number of Consulting, Survey and Research Projects Implemented RI IR

	Operational companies	FY2008
Environmental management*3	RI, IR	148
Global warming	RI, IR	80
Energy	IR	67
Chemical substances, recycling-based society, etc.	IR	56
Publication of other reports, etc.	RI, IR	138

*3 Of the environmental management cases handled, 106 involved duplication of global warming, energy and chemical substance issues.

Action Plans

We shall continue to reinforce our line-up of products and services to support customers who have adopted a proactive approach to environmental management. We shall also expand the scope for calculating energy consumption volumes and continue to tackle the issue of reducing the group's overall environmental impact.

Cases of Product Development and Sales

Development and Management of SRI Funds DIAM

Promoting Socially Responsible Investment (SRI)

There is considerable interest in the SRI approach to investments in companies, which involves evaluations of ethical issues, the observance of laws and approaches to environmental problems, as well as financial issues such as the outlook for profit and growth.

The asset management company DIAM develops, sets up and manages SRI funds such as the "Eco Fund" and the "Natural Environment Protection Fund," otherwise known as the "Oze Kiko."

Development and Sales of Emissions Trading Trusts BK TB

Responding to needs in the area of small emissions credits

Since emissions trading is highly specialized and may involve complicated paperwork, it is not easy to participate in transactions involving smaller numbers of credits. To resolve this problem, MHTB was quick to focus on creating trust beneficiary rights out of emissions credits and started developing and selling trust products that allow small-lot trading in emissions credits.

In fiscal 2008, 11,000 tonnes in emissions credits were sold as trust beneficiary rights to eight corporate clients of MHBK's Shizuoka Branch who belong to the Shizuoka Mizuho Association.

The association urged its members to use the CO₂ emissions measurement system offered by the Shizuoka Center for Climate Change Actions. Companies identified their own emissions and, in cases where there were limits to what their self-help efforts could do in the way of reducing emissions, they were invited to make use of emissions trading trusts. Looking ahead, the expectations towards these trusts are high.

Working with Education Professionals to Foster Life Skills in Children, We Are Exploring the Essence of Financial Education

Manager's Comments

Instead of focusing on investment or teaching how to make money, Mizuho's financial education focuses on imparting the right kind of knowledge about money. This includes basic rules, such as the fact that if you borrow money, you have to repay it, and if you don't, you won't be able to borrow any more. Looking ahead, we shall persist with our financial education for the foreseeable future because this is a CSR activity that we can do for the simple reason that we are a financial institution.



Akihiko Hashimura
Head of CSR Promotion Office
Corporate Communications
Mizuho Financial Group

Mizuho supports financial education at the elementary/secondary education level and the higher education level based on the belief that it is better to have a deep understanding of finance at a young age in order to live independently in an increasingly complex and globalized society. Here, we introduce initiatives at the elementary/secondary education level.



Q1 What sort of education is financial education?



A1 Financial education aims to foster the skills to live through the subject of money.

In the narrow sense, financial education “is the promotion of correct knowledge and understanding of personal money management and the financial system.” In the broad sense, it means “nurturing attitudes that enable young people to understand the various movements of money and finance, think deeply about their own lives and society through this process, and refine their own lifestyles and sense of values so that they learn how to act independently in creating a richer livelihood and a better society” (The Central Council for Financial Services Information 2007).

These words embrace everything from a sense of morality, as embodied in the importance of “trust” in social activities, to matters such as how to foster a sense of work and vocation, teach methods for using financial services and protecting ourselves against multiple indebtedness and financial crime. In other words, it refers to education that gives each individual the skills to live.



Q2 Why does Mizuho see financial education as a priority area of CSR?



A2 We position it as part of the sustainable CSR activities that make the most of the management resources of our core business.

With the emergence in recent years of new mechanisms such as e-money in the form of IC cards used for traveling on trains and buses, even the younger generation has gotten accustomed to using “money” almost casually. At the same time, the number of young people who become victims of financial crimes is increasing. For this reason, many people say there is a renewed need to teach children the value of money at home and in school.

Given this situation, Mizuho is promoting various activities as a financial institution, adopting support for financial education in schools as a CSR activity that can be implemented on a continuous basis while making the most of the management resources of its core business.

Q3 What is your objective in cooperating with Tokyo Gakugei University?

A3 We believe that in order to raise the quality of financial education, it is essential to work with a partner who has ample experience and knowledge of education.

Mizuho has continued to invite pupils to participate in workplace experience events for many years, but developing explanations that elementary and secondary school pupils can follow easily has always been an issue. We therefore believed it was necessary to tie up with a partner with enough experience and knowledge to make progress in enhancing the reach and quality of financial education and explore concrete methods for developing financial education suitable for schools. In fiscal 2006, we launched a joint industry-academia research project with Tokyo Gakugei University, one of Japan's leading teacher training centers in the area of elementary and secondary school education.



Q4 What exactly does the joint research project deal with?

A4 The project pursues a wide range of activities designed to develop synergies between Mizuho and the teaching professionals of Tokyo Gakugei University.

We are using the knowledge, experience and know-how of Mizuho and the professionals of the university to develop various teaching tools and methods.

The main initiatives are the development of textbooks and teaching tools from which young students can learn the role of finance easily, the development of guidelines for teachers, training and public lectures to feed back the results of our joint research to as many teachers as possible, and the development of programs for the Faculty of Education. Based on the know-how derived from these activities, we are also holding practical lessons in elementary and secondary schools.

In November of 2008, we developed texts for use in special needs schools to support independent efforts to help children with disabilities become self-reliant and participate in society.



Textbook for special needs schools "Life and Money"



The textbook "Working with Money"

A Comment from The Project Representative

One of the important features of this project is the fact that the results of our research in elementary, junior and senior high schools, as well as special needs and other schools affiliated with Tokyo Gakugei University, can also be used in practical research. We shall continue to develop teaching programs that stimulate the desire to learn in young students and match the needs of the classroom.

Q5 Please tell us how you see the joint research project developing from now on.

A5 We shall focus on more practical activities.

We have designated fiscal 2009 as a time for practical research, and will endeavor to develop and improve teaching tools that can be used more easily in the classroom, enhance the quality of practical lessons, and strengthen PR and promotion activities such as public lectures. We shall continue to channel efforts into training and PR activities for teachers and boards of education with the objective of spreading financial education further.



Katsumi Osawa
Representative of the Financial Education Joint Research Project
Professor
Tokyo Gakugei University

Activities in the Elementary and Secondary Education

Mizuho's Initiatives

Branches throughout the country are engaged in financial education

Our branches throughout Japan cooperate in offering pupils of elementary and junior high schools workplace experiences that give them the chance to try actual work for themselves and gain firsthand knowledge of what it means to work. We also help by sending employees of group companies to act as guest teachers in giving financial education lessons in the classroom. Moreover, in order to raise the quality of these lessons, we have prepared teaching materials for employees outlining the main points to note when students make workplace visits. We have also produced video teaching materials for explaining the bank's role to young students, and started using them in April 2009.

Offering Workplace Experiences

In November 2009, MHBK's Nada Branch arranged a two-day workplace experience for nine eighth grade students from Kobe City's Ueno Junior High School. After hearing an explanation of how money flows, they practiced counting money and greeting customers in the lobby, and learned how to use adding machines.

Activities in Higher Education

Establishing Lectures and Courses

Group officers and employees with hands-on expertise are dispatched as teachers

In the higher education sector, the group started offering full-scale lectures and courses at universities from fiscal 2006.

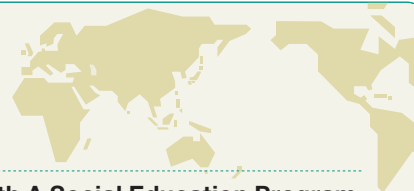
Group officers and employees with hands-on expertise are deployed to give lectures and courses that take maximum advantage of the latest practical financial knowledge that Mizuho has acquired through the comprehensive financial services it offers in banking, securities, trusts and asset management. In addition to setting a curriculum that covers areas such as financial systems and policies, corporate and household behavior, and progress in internationalization, we endeavor to be flexible in establishing themes to take into account the latest financial situation and issues affecting the financial sector in order to make the lectures and courses more practical.

In fiscal 2009, we have incorporated "Environmental Issues and the Role of Finance" into the curriculum and intend to strengthen content and enhance quality.

Lectures and Courses Given in Fiscal 2008

		Educational Institution	Course, Main theme	How operated
Domestic	Mizuho Financial Group	Faculty of Economics, Kyoto University	Advanced Banking Theory	Dispatch lecturers
		Faculty of Business and Commerce, Keio University	Contemporary Corporate Finance	Dispatch lecturers
		Tokyo Gakugei University, Faculty of Education	Career Education and Life Planning	Dispatch lecturers
		Faculty of Economics, University of Tokyo	Risk Management at Financial Institutions	Dispatch lecturers
		Faculty of Law, University of Tokyo	Financial Law	Cooperation in lectures
		Faculty of Commerce and Management, Hitotsubashi University	Financial Frontier	Dispatch lecturers
		Faculty of Political Science and Economics, Waseda University	Changes in The Financial Markets, and Financial Institutions	Dispatch lecturers
	Mizuho Bank	School of Business Administration, School of Economics, Kinki University	The 21st Century Challenge Facing Financial Institutions	Dispatch lecturers
	Mizuho Securities	Faculty of Economics, Kyoto University	Corporate finance-related	Dispatch lecturers, invite professors/ assistant professors, hold symposia, joint research
		Faculty of Economics, Kyoto University, Graduate School of Business Management, Kyoto University		
		Graduate School of Public Policy, University of Tokyo	The Capital Markets and Public Policy	Cooperation in lectures
		Faculty of Commerce and Management, Hitotsubashi University	Financial Strategy Theory/Corporate Finance Theory, The Theory and Practice of M&A	Dispatch professors and lecturers, hold symposia, joint research, book publishing
		Graduate School of Commerce and Management, Hitotsubashi University		
		Graduate School of Global Business, Meiji University	Corporate Finance Theory (Special Theory)	Dispatch professors and lecturers, hold symposia
	Joint operations of Mizuho Securities and the former Shinko Securities (now merged into Mizuho Securities)	Faculty of Economics, Keio University	Corporate Finance Theory	Dispatch lecturers
		Open Education Center, Waseda University	Corporate Finance and Frontiers of Investment Banking Business (Introduction) / (Practice and Applications)	Dispatch lecturers
	Mizuho Investors Securities	Osaka University of Economics and Law	Securities Investment Theory	Dispatch lecturers
Takasaki City University of Economics		IPOs and SMEs/Information Systems Theory	Dispatch lecturers	
Nippon Bunri University		Overview of Capital Markets and Practices	Dispatch lecturers	
Overseas	Mizuho Securities	Fudan University (China)	Structural Changes in the Global Finance and Capital Markets, and Corporate Behavior	Dispatch lecturers

Around the World



Germany

Junior High School Students Experience the Workplace Environment

In May 2008, MHC B's Düsseldorf Branch invited eighth graders from the local Japanese school to experience the workplace environment. Three students took part and in addition to receiving an explanation of banking operations, toured the dealing room, listened in to a TV conference call with the Paris branch, and tried counting banknotes. One of the students commented: "I thought counting banknotes was the bank's main job, but this workplace experience taught me that bank staff are engaged in all sorts of work."



Singapore

Teachers Visit Elementary and Junior High Schools

In July 2008, MHC B's Singapore Branch gave lessons to sixth graders from the local Japanese school. Some 90 pupils attended three classes and listened to explanations of the bank's role and functions based on the textbook "Working with Money." In February 2009, the branch took part in a lecture meeting on careers held at a local Japanese junior high school. The lecture consisted of an explanation of the bank's role and functions based on the textbook "Working with Money," followed by a Q&A session.



Indonesia

Cooperation with A Social Education Program Sponsored by the Central Bank

PT. Bank Mizuho Indonesia, a local subsidiary, held a lecture for students of Atmajaya Yogyakarta University in August 2008. The lecture was part of a social education program run by Bank Sentral Republik Indonesia, and Mizuho employees explained foreign exchange and other matters.



China

Branch Manager Lectures to Chinese and Japanese University Students

In November 2008, MHC B(China)'s Dalian Branch took part in Asia University's "Asia Dream College" educational program for developing human resources who will be active in China. During the lecture held at Dalian University of Foreign Languages, the branch manager spoke to 27 Japanese and Chinese students about the kind of work done at branches in Japan, and trends in the Chinese economy.

Course for University Students Held

In December 2008, MHC B(China)'s Wuxi Branch held a course on "Corporate Economic Activity and Finance" for 70 fourth-year students belonging to the Japanese Department of the School of Foreign Studies at Jiangnan University. One participant said that "this was a good opportunity to fraternize with Japanese people and Japanese companies," while another said "it gave me a good understanding of the mechanisms of finance."

Financial Lectures for Young Students

In February 2009, MHC B(China)'s Wuxi branch held an extracurricular lecture for 15 young students of the Wuxi Japanese Language Supplementary School. Taking "Talking about Money" as its theme, the lecture elicited a great many questions from the young students, partly because it is not a subject that they often get to study.

Action Plans

In the elementary&secondary education sector, we will endeavor to develop and improve teaching tools that can be used more easily in the classroom, enhance the quality of practical lessons, and reinforce our PR and promotion activities. In the area of higher education, we will strengthen the content of our lectures to make them more practical in light of recent developments in the financial situation.

In order to Protect Valuable Property Received in Trust from Customers, We Are Making Full-scale Efforts to Prevent Financial Crimes

Manager's Comments

In recent years, the trend of financial crimes becoming increasingly systematized, ingenious, and sophisticated has been strengthening. Under such circumstances, Mizuho Bank is working on damage prevention measures, with a strong sense of a mission to protect valuable property taken in trust from our customers. Some customers may feel that, with identity verification at branches and verbal notifications at ATM machines, the procedures are troublesome, but we do request your cooperation.

Additionally, in the same way as preventive measures, we are also focusing our efforts on responses to customers who incur damage from crime. We request that relevant customers make sure to contact us.



Takayuki Takahashi
Security Response Department
Operations Service Division
Mizuho Bank

Including what is called remittance fraud, there seems to be no end to financial crimes in which deposit accounts, deposit passbooks, cash cards, and other items from financial institutions are used fraudulently. As responsibilities of the megabank with the largest office network in Japan, in order to protect valuable property received in trust from customers, Mizuho is taking various measures and promoting efforts for the relief of victims.

Q1 What sorts of financial crimes should depositors be on their guard against?

A1 The crimes include remittance fraud, cash card counterfeiting and theft, as well as illegal use of Internet banking.

Besides remittance fraud, there also are theft of passbooks and personal seals, counterfeiting and theft of cash cards, and the scam of stealing an Internet banking customer ID and password and accessing the account fraudulently.

Q2 How is Mizuho responding to these financial crimes?

A2 We are responding to financial crimes through measures including prevention of damage from illegal use, early detection and minimization of damage, and efforts to prevent recurrences.

The measures we are taking against financial crimes include: (1) nipping crime in the bud before it occurs, (2) detecting a crime in its early stages when it does occur and limiting damage from the crime as much as possible, (3) making efforts for damage recovery for customers who suffer damage, (4) and preventing recurrences of the same damage.

In particular, since financial crimes often occur through bank accounts, upon the opening of an account, we are verifying the person's identity in accordance with the provisions of the laws*1, and we are asking for the purpose of using the account. In addition, by distributing a leaflet to inform people that the buying or selling of accounts is a crime, we are striving to prevent the opening of accounts used fraudulently in crimes such as remittance fraud.

On the other hand, with regard to existing transaction accounts, we have taken measures such as establishing a special department that monitors illegal use perpetrated by means of computer systems. In this way, the Head Office and the business promotion offices are collaborating to take measures against financial crimes. (Please see p. 20 for details.)



*1 Act on Prevention of Transfer of Criminal Proceeds

Q3 How is Mizuho responding to crimes in which cash cards and Internet banking are used?

A3 We are introducing solutions such as “Biometric Authentication” and – for the first time by any Japanese bank in the area of Internet banking – “Risk Based Authentication.”

In order to prevent fraudulent cash withdrawals made through counterfeiting and theft of cash cards, we are converting cash cards into IC cards, introducing biometric authentication that verifies identity by utilizing the patterns of veins in a person’s fingers, and preparing and distributing at business promotion offices our Cash Card Security Guide, which explains measures against scams used for extracting personal identification numbers and for peeping at ATM information.

Additionally, in order to prevent illegal access in the Mizuho Direct Internet Banking service, besides our past efforts*2, from June 2008 we became the first Japanese bank to strengthen login authentication by using Risk Based Authentication*3.



Q4 How are you responding to customers who incur damage from fraudulent withdrawals of deposits or from remittance fraud?

A4 On the basis of the various laws and regulations, we are paying compensation and distributions for damage.

Regarding damage from fraudulent withdrawals of deposits, on the basis of the Depositor Protection Law*4 enacted in February 2006 and the agreement officially announced by the Japanese Bankers Association*5 in February 2008, Mizuho is compensating customers who have incurred damage.

Furthermore, with regard to damage from remittance fraud, on the basis of the Law Concerning Remedies to Remittance Solicitation Fraud*6, which was enacted in June 2008, we are paying damage recovery distributions left in deposit accounts used in crimes.

*2 Mizuho's past efforts

- Introduction of software key-boards for entering login passwords
- Enlargement of login passwords to 32 digits
- Construction of an operating structure for closing phishing Web sites in a short time
- Introduction of Multipurpose Account Overdraft Selection Service to limit damage from fraudulent cash withdrawals
- Introduction of “disposable” one-time passwords that differ for each transaction

*3 Risk Based Authentication

Risk Based Authentication is a structure that comprehensively analyzes a customer’s user environment (i.e., information such as personal computer settings and Internet service provider IP addresses), that monitors the state of use in real time while making risk calculations, and that detects system access suspected of being illegal use.

*4 Depositor Protection Law

This is a law on protecting depositors from fraudulent automated savings withdrawals using counterfeit cards or stolen cards.

*5 Agreement

This is an agreement on making compensation for damages from stolen pass-books and illegal use of Internet banking.

*6 Law Concerning Remedies to Remittance Solicitation Fraud

This is a law on payments of damage recovery distributions using funds relating to deposit accounts used in crimes.

We request that customers who have incurred damage make sure to contact one of the following customer service counters.

- Regarding compensation for damage from fraudulent withdrawals of deposits, please inquire to a customer service counter at a branch or to the Mizuho Bank Security Support Center.

Toll Free: 0120-868-715

Monday – Friday, 9:00 – 17:00
(excluding holidays, substitute public holidays, and the period from December 31 to January 3)

- Regarding payment of damage recovery distributions for remittance fraud, please inquire to a customer service counter at a branch or to the Mizuho Bank Call Center for Restitution of Remittance Fraud Funds.

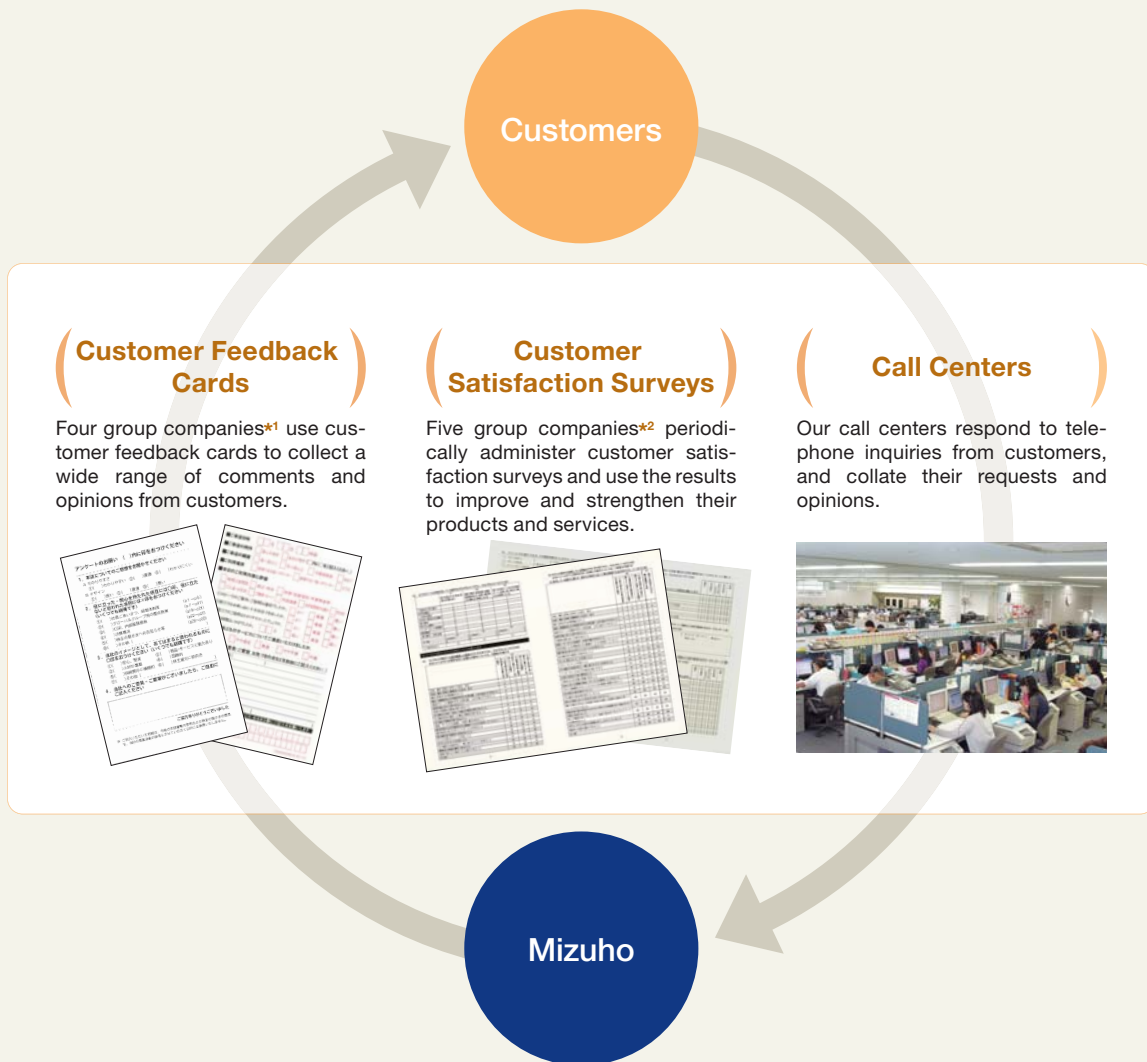
Toll Free: 0120-233-862

Monday – Friday, 9:00 – 17:00
(excluding holidays, substitute public holidays, and the period from December 31 to January 3)

Customers and Mizuho

Responding Appropriately to Customers' Needs and Expectations Aiming to Enhance Customer Satisfaction (CS) through Products and Services

Mizuho aims to be number one in customer satisfaction (CS). This section reports on our efforts to earn the satisfaction and trust of our customers.



Basic Stance toward Customers

- We will constantly strive to satisfy customers, earn their trust, and build long-term relationships.
- We will know our customers well and deal with them in good faith.
- We will provide customers with ample information and offer them top-class comprehensive financial services.
- We will manage the assets of our customers with due and diligent care.
- We will work to educate ourselves in order to acquire exceptional discernment and specialized knowledge and skills that benefit customers.

*1 Customer Feedback Cards **BK** Mizuho Bank **CB** Mizuho Corporate Bank **TB** Mizuho Trust & Banking **IS** Mizuho Investors Securities

*2 Customer Satisfaction Surveys **BK** Mizuho Bank **CB** Mizuho Corporate Bank **SC** Mizuho Securities **TB** Mizuho Trust & Banking **IS** Mizuho Investors Securities

Basic Approach Management Geared to Securing the Top Ranking in Customer Satisfaction

Since putting our customers first is the basis of our group activities, we aim to provide customers with top-level comprehensive financial services that satisfy their needs at all times.

In addition to acting in accordance with our basic stance towards customers, we are encouraging all employees to have “Ji-kaku” (self-awareness) that all their activities can win customer trust and satisfaction, thereby building long-term relationships of trust that value heartfelt ties with customers.

Making Proactive Use of Customer Feedback

When a customer comes to us with a complaint or criticism, we are committed to solving the problem by listening sincerely and responding promptly and appropriately. We see our customers’ views as a managerial resource and after investigating and analyzing the cause of the problem, we clarify the issues involved and utilize the results to prevent their recurrence and improve our group management quality, products, and services.

Responding Precisely to Needs and Expectations

Mizuho continues its initiatives to enhance CS awareness among all group employees in order to respond precisely to Customer Feedback Cards. It is strengthening CS education and training, and making use of CS improvement tools across the group. Taking individual customers’ perspectives into consideration as it accurately identifies their diverse needs and expectations, it utilizes the high-level expertise of group companies to offer products and services that will satisfy them.

Changes to “Mizuho Mileage Club” Membership Services BK

Improvements make services easier to use

Extensive changes have been made to Mizuho Mileage Club services in response to customer feedback that

showed they found it difficult to understand how to use them even though they were club members. The main changes are as follows:

- The month-end balance, one of the transaction conditions required for taking advantage of “Happy Benefits” such as commission-free use of ATMs after banking hours, has been reduced from ¥500,000 to ¥100,000 to make things easier and more convenient for customers.
- Another newly-added advantage is that charges have been waived for up to three transfers to other banks per month for customers with ¥500,000 or more in their accounts.
- Two new services have been launched. In addition to running a members-only campaign whereby the mileage point scheme is replaced by draws for presents, cardholders are now awarded Permanent Points (“Eikyufumetsu Point”) by Credit Saison according to their usage of the Mizuho Mileage Club Card (credit card).



Mizuho Mileage Club Poster

WEB **Mizuho Mileage Club (Japanese only)**
<http://www.mizuhobank.co.jp/mmc/>

Number of Branches Offering Weekend Consultation Services Increased BK

Meeting the needs of customers who are unable to visit branches on weekdays

To date, many customers have told us they want to discuss certain matters but cannot take time off from work on weekdays. As a result, they would like to be able to visit on weekends so that they can consult with our staff in a relaxed atmosphere. To enable such customers to consult us on asset management, housing loans and pensions more easily, we have increased the number of branches offering weekend consultation services on Saturdays and Sundays^{*3}. We also hold similar consultations on weekday evenings from time to time.



Leaflet providing information on weekend consultations

^{*3} Weekend consultations

Not all branches offer weekend consultations. Consultations are also held on different days, depending on the branch in question.

WEB **Information on Internet seminars and branches holding weekend consultations (Japanese only)**
<http://www.mizuhobank.co.jp/tenpoinfo/index.html>

Efforts to Adopt Universal Design Principles for Bank Branches BK

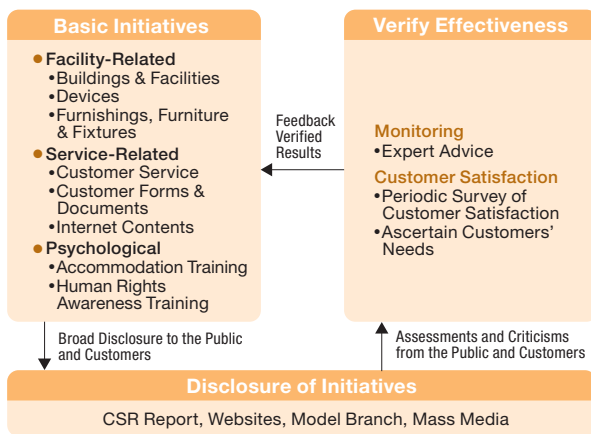
The Heartful Project

Aspiring to become a bank that is easy for anyone to use irrespective of age, gender or disability

MHBK has been promoting the Heartful Project since November 2005 with a view to becoming a bank that is easy for anyone to use regardless of age, gender or disability.

This project goes beyond simply making bank branches that are barrier-free for everyone, to adopting universal design principles for bank branches that will satisfy all.

In moving this project forward, we are focusing on improvements that mitigate any sense of inconvenience or dissatisfaction that customers may feel in three key areas: facility-related initiatives covering branches, facilities and equipment; service-related initiatives covering customer forms and documents and Internet content; and psychological initiatives involving education and training to improve customer handling skills.



Internal and External Cooperation BK RI

Taking the opinions of many people into account in improving facilities and services

Moving the Heartful Project forward involves holding working group meetings attended by managers from the relevant divisions at appropriate times to allow them to ascertain the current state of progress and share information. It also involves cooperation and dialogs with

specialists in universal design from MHRI.

We ask customers for their actual views on what they find inconvenient when they use the bank, and where they would like to see improvements made. Taking these opinions and advice into consideration, we then strive to improve our facilities and services. We have designated the Roppongi, Yokohama-Ekimae and Ofuna branches as “Heartful Project Model Branches,” and after conducting various experiments, are steadily reflecting the results in other branches. We also invite experts and persons with disabilities to visit these model branches and actually use the facilities. We then make improvements according to their frank views on, for example, whether the toilet buttons are difficult to use, or whether signs displayed in the bank are difficult to read.



Using outline fonts makes signs easier to read



Wheelchair users also find these open/close switches easy to use

Reputation

Awarded the “People-friendly Town Planning Prize” by Aichi Prefecture

MHBK was awarded the “14th People-friendly Town Planning Prize” by Aichi Prefecture in March 2009. The prefecture recognized that the Nagoya Branch and the Ozone Branch had installed parking spaces for wheelchair users and removed all steps on the route from the car parks to the branches and within the branches themselves to provide anxiety-free access. It also acknowledged that their staff have come together in reforming their awareness of the issues involved.



The reception entrance provides ample room for wheelchairs

Facility-related Initiatives

Tackling improvements based on its own original specifications

Using the Tokyo Metropolitan Government's Barrier-Free Building Ordinance as reference, MHBK has drawn up its own "Branch Improvement Standards" and is adopting universal design principles for its branch facilities. These standards have established eight priority items known as the "Eight Basic Specs." Improvements are implemented after surveys to ascertain the status of all branch facilities under each specification.



This counter provides ample room for wheelchair users



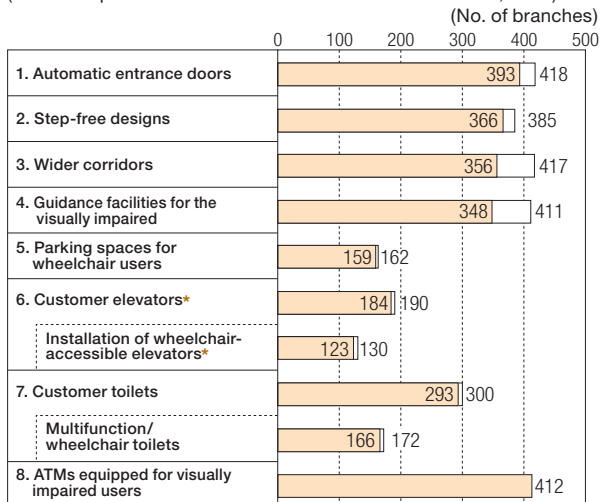
Doorways have been widened and doors automated to improve access for wheelchair users



There are no steps en route to the branch entrance, and the door is automatic

Eight Basic Specs: Adoption Rates

(Work completed at 424 manned branches as of March 31, 2009)



Legend:
 No. of branches with these facilities installed.
 No. of branches where these facilities are to be installed.

* The total does not include branches where these facilities are not required, such as single-story branches.

Service-related Initiatives

Progress in introducing people-friendly tools

Branches have now made available various tools for the sight- and hearing-impaired. For the hearing-impaired, for example, "Mimi Mark" (Ear Mark) signs are displayed to welcome customers and inform them that provision has been made for writing and other communications needs, including whiteboards. There are also "Communication Boards" which describe transactions and procedures using pictures and symbols.



"Mimi Mark" signs and whiteboards for written communications



"Communication Boards" use pictorial and other symbols to describe transactions and procedures

Psychological Initiatives

Employees spontaneously engage in training

To raise awareness among individual employees, we have prepared original manuals and distributed them to all personnel working at our branches and all part-timers, and carry out training using videos.

Since customer profiles such as age groups differ according to location, employees at each branch hold discussions to develop initiatives for dealing with the specific characteristics of their own branches.

Lobby concierges also receive practical training in operating wheelchairs and other skills for dealing with customers.



Training in operating wheelchairs and other customer relation skills

Action Plans

Customer opinions are one of Mizuho's most important assets. Looking ahead, we intend to incorporate the views of customers from each branch as we move forward with improvements through facility-related initiatives, service-related initiatives and psychological initiatives, and the development of products and services that will please them.

Shareholder and Investor Relations

To Meet the Expectations and Earn the Trust of Shareholders and Investors, We Are Working towards a More Open Form of Management

In addition to efforts to disclose information to our shareholders and investors in a fair, timely and appropriate manner, we continue to seize every opportunity to improve our communications.



Basic Stance toward All Our Shareholders

- In order to earn the trust of all our shareholders, we will endeavor to preserve and enhance the group’s assets.
- We will strengthen our internal control systems through appropriate accounting, effective internal audit and other measures.
- We will proactively disclose information and improve managerial transparency to ensure that all our shareholders obtain an accurate picture of our business operations.

Communication with Shareholders

General Meeting of Shareholders

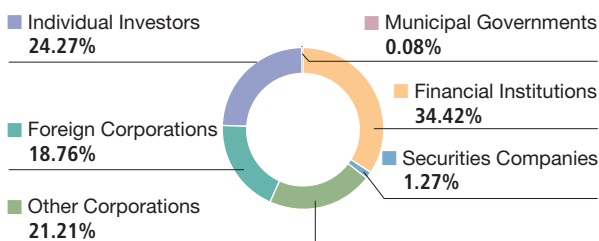
➤ Toward a more open general meeting

We make every effort to improve the environment so that shareholders can take part in our ordinary general meeting by holding it on a date at the end of June each year that avoids the most popular dates on which other companies' meetings are held. We held our seventh ordinary general meeting of shareholders at the Tokyo International Forum on June 25th, and a record 2,732 shareholders attended.

Using visuals projected on to a large screen, we presented a report that was designed to explain our business in an easy to understand format. We also endeavored to improve communications with our shareholders by encouraging a lively question and answer session on the meeting's agenda items and matters relating to group management. We posted the report on our business operations given at the meeting and a message from the President & CEO on our website for about three months following the meeting.

The Convocation Notice of the meeting contained more detail and we mailed it out earlier to give shareholders more time to digest its contents. We also posted it on our website in both Japanese and English at the same time as the mailing.

Shareholders (Common Stock) (As of March 2009)



Investor Relations Activities

One of the highest management priorities of Mizuho Financial Group is to continue to disclose information to our shareholders and investors in a fair, timely and appropriate manner, in order that they may form proper judgments and appraisals of the group. Our Disclosure Policy, which

refers to our basic principles of disclosure on the group and a framework for Disclosure Controls and Procedures, is published in our annual review and on our website.

In accordance with the abovementioned policy, and with due attention to two-way communication, we endeavor sincerely to facilitate a proper understanding of our management strategies, financial condition and other matters. In this way, we aim to earn the trust of the market and obtain an appropriate market reputation.

Active Involvement of Top Management in Investor Relations

➤ IR presentations at home and abroad

In addition to regular IR presentations in Japan by top management, we hold group meetings during IR activities overseas. We also make IR presentations at various occasions, such as seminars for investors held by securities companies and an IR event for retail investors held by Tokyo Stock Exchange.

We endeavor to take advantage of every opportunity to deepen the understanding of the group among shareholders and investors both inside and outside Japan.

Making Effective Use of Various Channels for Disclosure Channels

➤ Using the Internet to disseminate information

On the website of Mizuho Financial Group, we disclose presentation materials and audio archives of such IR presentations, as well as a variety of other materials including financial statements and other financial information, press releases, annual reviews, and information on CSR activities.

We also run an "IR contact page," which widely receives questions and comments about IR activities, on our website. Moreover, we hold conferences in both Japanese and English via the Internet following the announcements of financial results. We also issue pamphlets and other publications that provide information on the group and send out press releases through our email distribution service. These efforts reflect our commitment to effectively utilizing the latest disclosure methods and tools to provide more fair and widespread disclosure to meet the diverse needs of shareholders and investors.

Action Plans

To meet the expectations and earn the trust of shareholders, we are working to improve the way we manage our general meetings of shareholders. We will continue to further reinforce our IR activities in order that our shareholders and investors may form more proper judgments and appraisals of the group's situation.

Employees and Mizuho

Promoting the Creation of Workplaces with the Appeal of Allowing Employees to Work with Zeal

We are pursuing various initiatives where employees play vital roles. This builds the value of each employee, which, in turn, increases group value.



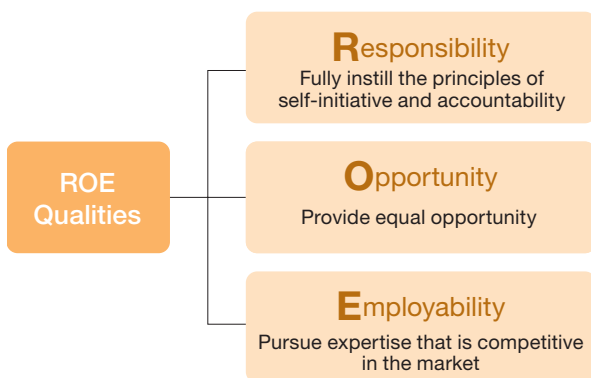
Basic Stance toward Employees

- We will help employees live healthy, fulfilling lives and ensure their workplace environments are comfortable, safe and conducive to work.
- We will create workplaces where people working together respect one another and are not subject to discrimination or harassment of any kind.

Basic Approach

Personnel are Mizuho's most important business resource – the unrivaled cornerstone of the group's competitive advantage. We believe that enhancing the value of each and every employee through proactive investment in human resources will lead to the creation of permanent value for Mizuho. Our vision for human resources is to improve what we call ROE Qualities – responsibility, opportunity and employability – and create appealing, fulfilling workplaces in order to bring about enduring value.

Vision for Human Resources



Placing the Right Person in the Right Job

Each group company hires its own employees and aspires to become an association of specialists that leverages individuality and prioritizes speed. At the same time, employees are transferred between companies to bring about synergies and ensure that human resources are deployed so that the right people are in the right positions.

In order to ensure continuity in the basic pay and benefit packages of transferred employees, group companies share a common platform for a portion of their personnel systems, and personnel policies are basically consistent among the companies.

Human Resource Development Scheme Supports Efforts to Strengthen Expertise

Employees are classified into administrative employees (professional, managerial, specialist), general staff, professional contract employees, and non-regular

employees, etc., depending on each person's specialization and skills as well as their approach to their lifestyle and career. The classifications have different job descriptions, duties and compensations structures. Each company has introduced schemes to support individualized human resource development and strengthen specialization.

Fair job description- and performance-based assessments

In order to adequately reward employees for their contributions, we have introduced a merit-based evaluation system and conduct fair assessments based on job descriptions and performance. The results of the evaluations are incorporated into bonus and salary revisions for each term as well as retirement benefits and other perks. Medium- to long-term contributions and performance are also considered.

Aiming for an improved educational environment

We regard our education and training system as a means of actualizing ROE Qualities and therefore put effort into developing educational systems for each group company and commonly for the group as a whole. Training at individual group companies involves highly specialized education in line with each company's particular business model. The companies also actively keep their training programs open to one another.

Internal Recruiting Systems for Utilizing and Motivating Personnel

Creating mechanisms for enhancing personnel motivation and capabilities

We have established a framework that respects the individual desires of employees and is designed to improve their motivation, bring about career growth and lead to results. Under the Rookie Job Request Program, we strongly consider the jobs that new hires indicate they want when it comes to transferring them to new assignments for the first time. The Branch Manager Recruitment Program recruits younger employees for branch manager positions at Mizuho Bank, and the Job Recruiting Program looks for employees who want to advance their careers and acquire a higher level of specialization.

	(Person)		
	FY2006	FY2007	FY2008
No. of employees completing the Branch Manager Recruitment Program	2	7	8
No. of people completing the Job Recruiting Program	87	64	84

Initiatives for Diversity

Mizuho focuses on promoting diversity so that every employee can work vigorously. We aim to create appealing, fulfilling workplaces that utilize diversity and provide opportunities for motivated employees with diverse backgrounds to fully demonstrate their abilities while working together with respect for one another.

Efforts to Support Career Development for Women

“Four R’s” policy supports career development for women

Over 40% of Mizuho’s employees are women. We established the “Four R’s” Basic Policy for Women (see table below) to create an environment where they are motivated to make maximum use of their capabilities, and are working hard to implement the measures it includes.

In addition to raising the proportion of new women graduates hired for the managerial career track, we have strengthened our career improvement training system for them.

To minimize the barriers related to childbirth and child-rearing, we have extended the child-care leave system until the child is two years old, and improved the short-time work scheme’s coverage until the child is in the third grade of elementary school. We have also opened two in-house nurseries in Tokyo, the Mizuho Kids Karugamo in Sendagaya, and the Mizuho Kids Chiyomaru in Marunouchi. As part of a proactive effort to promote a change in managers’ thinking, moreover, we carry out training and have prepared guidebooks for distribution to them.

“Four R’s: Basic Policy for Women

	Basic Policy
Recruit	<ul style="list-style-type: none"> Actively utilize necessary personnel. Make women at least 30%* of new graduate hires for our managerial career track.
Raise	<ul style="list-style-type: none"> Strengthen provisions to ensure that evaluations are fair and just. Raise the ratio of women in managerial positions by 10%* by the end of fiscal 2008. Provide support for skill and knowledge acquisition through expanded training programs.
Retain	<ul style="list-style-type: none"> Develop working conditions that motivate employees. Provide support for balancing work and family life. Bolster frameworks to minimize the difficulties posed by childbirth and child-raising in particular.
Relate	<ul style="list-style-type: none"> Promote proactive dialogue inside and outside the group. Promote a change in consciousness for the organization as a whole.

* We revised the target in November 2008.

Number of Child-Care Leaves Taken

(Person)

	FY2006	FY2007	FY2008
No. of employees on child-care leave	345	443	606

Creating Workplaces where People with Disabilities Can Flourish

We remain proactive in hiring people with disabilities

Mizuho maintains programs and policies to actively hire people with disabilities on an ongoing basis. As of June 1, 2009, the Business Challenged Co., Ltd., a specially-recognized subsidiary, employed 47 persons with disabilities. These employees handle data entry and document handling for Mizuho companies, contributing to increased efficiency in business operations for the overall Group.

In fiscal 2007, Mizuho Corporate Bank implemented an innovative employment policy to create a workplace environment that enables employees with disabilities to both work in their jobs and participate in athletic activities, such as the Paralympics.

Employment Ratio of Persons with Disabilities

(%)

	June 2007	June 2008	June 2009
Employment Ratio of Persons with Disabilities	1.97	1.97	2.04

* The employment ratios shown in the above table represent the combined total for 6 Group companies: MHBK, MHCB, MHSC, MHTB, MHFG, and Business Challenged Co., Ltd.

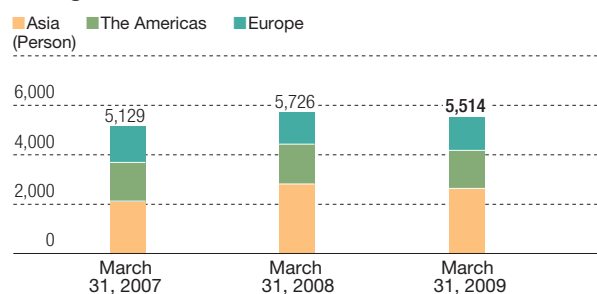
Hiring Locally Overseas

Hiring personnel with a high level of expertise

Mizuho’s overseas business activities are carried out through 91 offices in 32 countries/regions around the world, with support for these global business operations provided by locally hired personnel, known within Mizuho as “National Staff” (hereafter “NS”). They have high abilities and experience, and work actively everyday.

Bearing in mind local business characteristics and customs, overseas offices are now independently hiring NS with higher levels of expertise. As in Japan, overseas offices are putting considerable effort into personnel education, and carry out regular training in compliance and related subjects.

Change in the Number of NS



* The figures in the above graph indicate the number of NS at the branches, representative offices, and overseas subsidiaries of Mizuho Corporate Bank, Mizuho Securities, and Mizuho Trust & Banking.

Work-Life Balance

It is vitally important to improve the workspace environment so that employees can continue working while ensuring a proper balance between their work and their private lives. To support both the work and lifestyles of employees, Mizuho encourages them to take vacations and to leave the company on time or even early. It has also adopted various other measures, including support mechanisms associated with fostering the next generation.

Creating A Safe, Comfortable Workplace

Mizuho is working to create safe, comfortable workplaces where the human rights of employees are respected. To build mutual trust between the company and its staff, it is endeavoring to create working environments where employees can work enthusiastically on the basis of an ongoing dialog between workers and management.

Occupational Safety and Health

Aspiring to a safe, healthy workplace

As part of our initiatives to comply with laws and ordinances concerning occupational safety and health, we strive to improve the safety and health of employees through various health examinations, provide health management under the direction of industrial physicians and other specialists, and establish the Health Committee.

Work-related Accidents

(Cases)

	FY2006	FY2007	FY2008
Work-related accidents	101	127	108
resulting in leave	16	17	12
Commuting-related accidents	74	87	96
resulting in leave	23	21	15
Total	175	214	204
resulting in leave	39	38	27

* Data compiled for Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, Mizuho Information & Research Institute and Mizuho Financial Group.

* No accidents resulted in death.

Implementing mental health care measures

Mental health is recognized as an important pillar of employee health care management, and various measures have been adopted to deal with it. One of the self-care functions offered by Mizuho takes the form of a tool that allows employees to check their own stress levels at any time using the Mizuho intranet. To assist with line care, managers are given training to raise their awareness levels, while industrial physicians and other occupational health care staff provide guidance at offices and other support on an ongoing basis. We have also set up a consultation system that employees can access easily, establishing desks where employees can talk to expert counsellors about their concerns and anxieties.

Action Plans

Looking ahead, we will adopt initiatives to train and utilize personnel, and strengthen and improve various schemes to make them easier to use, all with a view to enhancing the value of every individual employee. We will also respect work climates where diversity is welcome, and strive to create workplaces where all employees can work energetically.

Regional/Local Communities and Mizuho

We Strive to Be a Good Corporate Citizen Who Coexists with the Local Community, and Contribute Proactively to Everyone in the Regions Where We Operate

As a community member who is closely associated with the locality, Mizuho works hard at interactive communications with other stakeholders.



(Independently Planned Programs, Supported Events)

In addition to independently planning social contribution programs, Mizuho supports events based on its own operating standards.



The 20th Coming-of-Age Day concert
Photo contributor: K. Miura

(Activities That Contribute to Society at Domestic and Overseas Offices)

In addition to contribution activities that are rooted in communities in Japan, Mizuho proactively engages in social contribution activities in the United States, Europe, Asia and other overseas locations.



(Social Contributions Through Philanthropic Foundations)

Having established foundations at home and abroad, Mizuho supports activities in various fields, including welfare for the aged, welfare for people with disabilities, education, and international interchange.



Basic Stance toward the Community

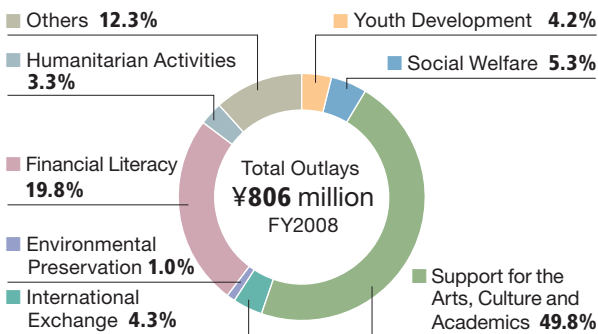
- We will fulfill the roles expected of a good corporate citizen in partnership with local communities.
- We will actively engage in activities that contribute to society.
- We believe that a responsible environmental policy makes sound business sense, and mindful of our responsibilities to society, will consider environmental issues as a part of our business decisions.

Basic Approach

Mizuho has established Operating Standards for Social Contributions and Environmental Issues, and makes social contributions on an ongoing basis.

These operating standards cover the following seven areas: 1) Youth development, 2) Social welfare, 3) Support for the arts, culture and academics, 4) International exchange, 5) Environmental preservation, 6) Financial education, and 7) Humanitarian activities. Activities are considered from a variety of perspectives, such as whether they contribute to the local community, whether they substantially benefit the public and can earn the public's acceptance, and whether they are original and progressive with respect to issues facing society.

Corporate Citizenship Outlays



* Outlays for initiatives that fall under two categories are split half and half between the two categories.

Relationships with Local Communities & Volunteer Activities

Community-Rooted Social Contributions

As a community-based corporate member, Mizuho considers it important to have and deepen exchanges with local residents.

Based on this awareness, we engage in contribution activities that are rooted in the regions where our offices are located.

Beach clean-up activities BK

October 11, 2008, 85 staffers and their families from the Fujisawa, Kamiooka, Ofuna, Chigasaki, Tsujido and Kugenuma branches of MHBK took part in clean-up activities, collecting garbage along the local Enoshima Beach.

ties, collecting garbage along the local Enoshima Beach.



Participation in charity marathon SC

November 24, 2008 saw 150 MHSC staffers and family members participate in the social contribution activity known as the FIT Charity Run 2008. Altogether, some 4,700 people associated with 77 financial institutions took part, and the event raised ¥58 million in donations which were distributed among 10 nonprofit organizations.



Support for voluntary employee participation

Mizuho believes that contributing to local communities as a good corporate citizen is one of its social responsibilities. This belief is reflected in an active involvement in improving support and organizational systems so that employees of group companies can participate in a wide range of volunteer programs.

In fiscal 2008, volunteers took part in clearing undergrowth in natural woodland, rice-planting and thinning out forests in cooperation with Tokyo Metropolitan Government.



Youth Development

Mizuho presents first-graders throughout Japan with yellow badges to ensure they travel to and from school safely.

The number of badges distributed over 45 annual campaigns through 2009 totals 55,460,000.



Joint campaign organizers: Sompo Japan Insurance Inc., Meiji Yasuda Life Insurance Company and The Dai-ichi Mutual Life Insurance Comp

Organization for the Arts, Culture and Academics

Mizuho has organized concerts on every Coming-of-Age Day since 1990, marking the 2009 concert as its 20th. These concerts have the dual purpose of supporting young artists and encouraging young people to enjoy classical music. Young artists are given opportunities to perform, and 50 couples (100 adults who are coming of age) are invited to attend through a public offering every year.

Environmental Preservation

Mizuho cosponsors the All-Japan Elementary and Junior High School Students' Environmental Art Contest, which is organized by the All-Japan Elementary and Junior High School Environmental Education Research Group. This contest is held every year to provide an opportunity for elementary and junior high school students throughout Japan to think about the importance of nature and the qualities that make a community a good place to live. There were a total of 3,484 entries for both sections at the 12th contest in fiscal 2008.



Kota Moriya won the Mizuho Special Award for the elementary school section



Moe Shirata won the Mizuho Special Award for the junior high school section

Humanitarian Activities

Mizuho provides contributions and other emergency support when major disasters occur in Japan or overseas. In fiscal 2008, it provided support in the following cases.

Fiscal 2008 Support

2008	Details of support	
May	Cyclone in Myanmar	The Mizuho Charity Fund* donated ¥1 million
May	Sichuan Earthquake in China	MHFG donated ¥20 million, the local subsidiary Mizuho Corporate Bank (China) donated RMB100,000, and group employees of local subsidiaries and branches raised another RMB225,000. Major earthquake in Sichuan Province, China Fund-raising activities by group employees in Japan resulted in a donation of ¥3,370,525 to the Japan Red Cross Society.
June	The Iwate-Miyagi Inland Earthquake	MHFG donated ¥5 million.

* Mizuho Charity Fund

This scheme carries out independent social contribution activities using donations deducted from the salaries of officers and employees each month.

Social Contributions through Philanthropic Foundations

Mizuho has five philanthropic foundations in Japan, and they all have unique characteristics that are reflected in their support and grant-making activities in the fields of welfare for the aged, welfare for people with disabilities, education and international exchange.

Mizuho Education Welfare Foundation

The Foundation supports children in remote areas and volunteer organizations that help the elderly, and provides grants for research related to the welfare of the elderly.



<http://www.mizuho-ewf.or.jp/>

Mizuho Welfare Foundation

The Foundation offers support to institutions involved in welfare for people with disabilities and provides grants for innovative projects and research that will lead to improvements in welfare.



<http://homepage3.nifty.com/mizuhofukushi/>

Mizuho International Foundation

The Foundation provides scholarships, lifestyle guidance and grants for foreign students in Japan and Japanese students in Asia.



<http://homepage1.nifty.com/fbifume/>

Mizuho Foundation for the Promotion of the Sciences

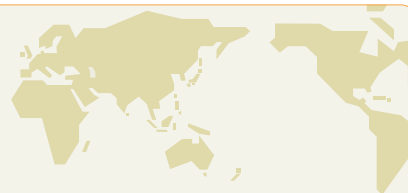
The Foundation provides grants for high-quality research in the field of engineering to provide encouragement and support for the young people who hold Japan's future in their hands. It also runs essay competitions on themes relating to law and economics, and the winners receive study grants.



Mizuho Scholarship Foundation

The Mizuho Scholarship Foundation provides scholarship loans for university students and others who would otherwise be unable to continue their studies for economic reasons. Every two months, students in Tokyo attend individual interviews to report their progress and receive advice on various matters. The Foundation aims to give many talented people an opportunity to see the world through these support activities.

Around the World



Offices Overseas Are Also Proactively Engaged in Social Contribution Activities

China

Visits to Old People's Homes

On September 6, 2008, 26 employees of local subsidiary MHC (China)'s Shenzhen Branch visited an old people's home in Shenzhen City. In addition to delighting the residents with songs and dramas, they presented them with fruits and cakes.



South Korea

Support for the Japan-Korea People's Exchange Festival

MHC's Seoul Branch supported the Japan-Korea People's Exchange Festival held in Seoul on September 27 and 28, 2008. This was the fourth time the festival had been held, and the branch took the initiative in inviting the families of employees taking part to an office near the festival venue with a view to deepening interchange between them.



The United States, the United Kingdom, Brazil, Australia and Canada

The Mizuho Volunteer Day

The Mizuho Volunteer Day was held on October 18, 2008, primarily in offices in North and South America. Some 200 bank staff and their families from five US offices plus offices in London, Sao Paulo, Sydney and Toronto participated in local volunteer activities, including cleaning up parks and planting flower bulbs.



Germany

Profits from In-house Auction Donated to Charity

Following an auction of household items and toys brought in by employees to a Christmas party held at MHC's Düsseldorf Branch on December 5, 2008, approximately €700 in profits was donated to charity.



Thailand

Food and Water Donated to Charity

When MHC's Bangkok Branch replaced its emergency stocks of drinking water and food with new supplies on January 30, 2009, it donated 2,800 bottles of water and 2,800 meals that were still within their "consume by" date to a charity that supports



Singapore

Fund-raising Activities to Establish A Scholarship Scheme

In July 2008, MHC's Singapore Branch agreed to establish a scholarship scheme, primarily to support students from low-income groups. Subsequent fund-raising efforts by all employees resulted in a total collection of SGD62,000 (approximately ¥3.97 million), which far exceeded the original target.



Action Plans

Looking ahead, we will use our ingenuity to devise methods of promoting even closer communications with local communities in more regions through more of our offices.

Corporate Governance

Corporate Governance Policy

Mizuho has been working to achieve a streamlined and nimble management structure while strengthening our corporate governance by inviting outside directors to join our board, etc. We will continue our efforts to enhance the transparency and efficiency of our management through corporate governance, with strict observance of all laws and regulations, pursuing our business activities in a fair and honest manner that does not conflict with the norms accepted by society.

Corporate Governance Structure

Board Members and Board of Directors

MHFG's board of directors, which consists of nine members, determines important matters pertaining to the management policy of MHFG and its group companies and monitors the business conduct of directors and executive officers. Three of the directors are outside directors that do not engage in the day-to-day management of MHFG. Their participation serves to strengthen the management and monitoring functions of the board of directors.

Corporate Auditors

MHFG has adopted a corporate auditor system consisting of five auditors, three of whom are outside corporate auditors. The Board of Corporate Auditors receives reports on important issues about audit matters, discusses them and makes decisions.

Execution of Duties

MHFG introduced the executive officer system in order to separate managerial decision making and its implementation and to clarify levels of authority and responsibility.

In respect of the execution of duties, the President & CEO manages MHFG according to the fundamental management policies determined by the board of directors.

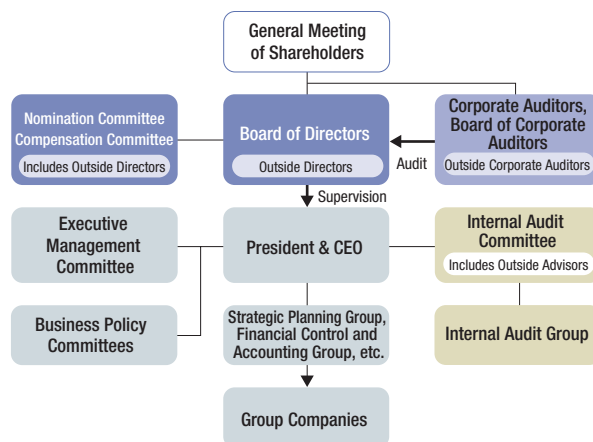
The Executive Management Committee was established to serve as an advisory body for the President & CEO and discusses important matters concerning the execution of business operations. Business Policy Committees were established to discuss cross-sectional issues.

Five other committees have been established separately from the Business Policy Committees to deal with specific issues. These committees discuss, disseminate information and promote policies concerning operations under their jurisdiction.

Internal Audit Function and Others

The Internal Audit Committee fulfills an internal audit function under the President & CEO. The committee discusses and determines important matters concerning internal audit on the basis of the basic policy determined by the board and reports all decisions made by the committee to the board.

MHFG's Corporate Governance Structure



Compliance

Basic Approach

As one of Japan's leading comprehensive financial groups, we remain conscious of the importance of our social responsibilities and public mission at all times. We define compliance as "the strict observance of all laws and regulations and the pursuit of fair and honest corporate activities that conform to the norms accepted by society" and view ongoing compliance as one of the basic principles of sound business management. Each of our group companies maintains its own compliance structure in line with the basic policies established by MHFG.

Compliance Activities

We have established the "Mizuho Code of Conduct," which sets forth clear and concrete standards of ethical behavior, and distributed it to all directors, senior management and employees of the Mizuho group so that they are well aware of its content and act accordingly.

Each of our group companies has also prepared a compliance manual, which serves as a practical guidebook for rigorous compliance enforcement. We conduct compliance training for directors, senior management and employees so that they are fully acquainted with the contents of the manual.

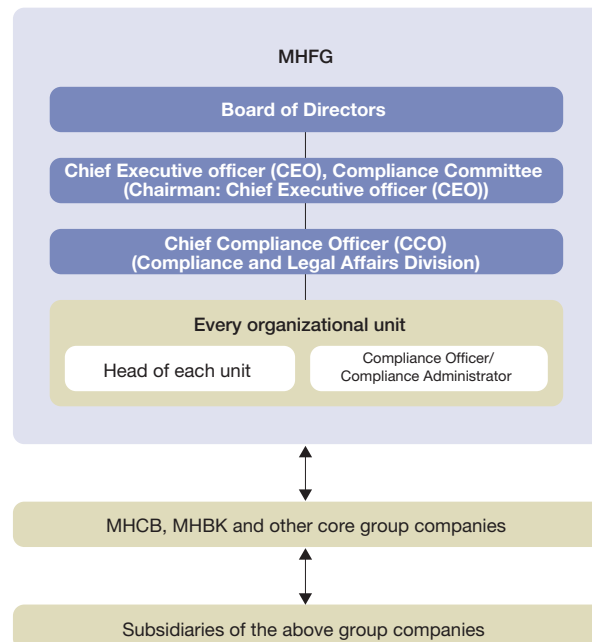
We monitor the status of compliance levels through self assessments conducted by individual organizational units and monitoring conducted by the compliance division of each company.

Compliance Structure

The chief executive officer of MHFG, MHCB and MHBK each generally oversees compliance matters of the respective company, and such chief executive officers also head their respective compliance committees at which important matters concerning compliance are discussed.

The three companies also have individual compliance divisions under a chief compliance officer. These divisions are responsible for compliance planning and implementation and control overall compliance management at the respective companies. At the level of each organizational unit (such as branches and divisions) at the three companies, the head of the unit is responsible for guidance and implementation related to compliance matters within such unit, and the compliance officer or the compliance administrator at each unit reviews the status of compliance.

Compliance Structure

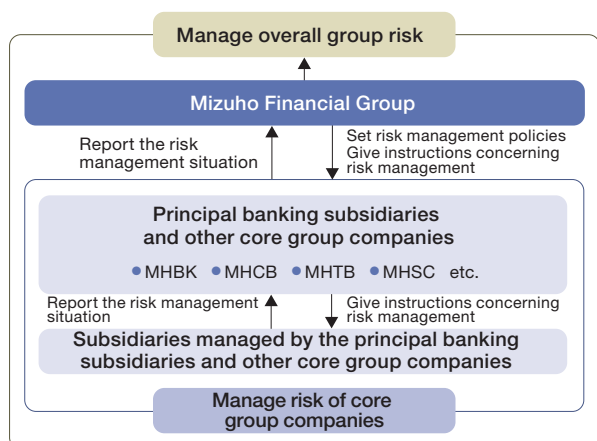


Risk Management

Basic Approach

Mizuho classifies its risk exposures according to the various kinds of risk, including credit risk, market risk, liquidity risk and operational risk, and manage each type of risk according to its characteristics. In addition to managing each type of risk individually, we have established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms.

Risk Management Structure



MHFG maintains basic policies for risk management established by its board of directors that are applicable to the entire group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure.

While conforming to the basic policies determined by MHFG, each group company endeavors to improve its risk management, works to strengthen controls, and adopts appropriate risk management measures for its business based on the size and nature of its risk exposures. Also, our principal banking subsidiaries and other core group companies each maintains its own system for managing

various types of risk, regularly receiving reports on the status of risk at their respective subsidiaries, and gives them appropriate instructions concerning risk management.

We endeavor to obtain a clear grasp of the group's overall risk exposure and have implemented measures to keep such risks within the group's financial base in accordance with the risk capital allocation framework.

Approach to Basel II

The BIS Regulations, the regulations for international standards of the health of banks first implemented in 1992, have been revised in light of developments in risk management methods in order to better reflect the actual substance of the risks. We have obtained the necessary approvals from government authorities on calculation methods for each type of risk and have been calculating capital adequacy ratios based on Basel II from March 31, 2007, when the Basel II was implemented in Japan. With regard to credit risk, we have been applying the Advanced Internal Ratings-Based Approach, the most sophisticated of the three methods provided for by Basel II, from March 31, 2009.

Credit Risk Management

Mizuho defines credit risk as the group's exposure to the risk of losses that may be incurred due to a decline in, or total loss of, the value of assets and off-balance-sheet instruments, as a result of deterioration in a counter party's financial position. We have adopted two different but mutually complementary approaches in credit risk management.

The first approach is "credit management," in which we manage the process for each individual transaction and individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. MHCB, MHBK and MHTB use uniform credit ratings to monitor the status of their obligors in a timely manner, reviewing these ratings whenever there is a change in a

obligor's credit status as well as on a regular basis.

The second is "credit portfolio management" in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risk and respond appropriately. We use statistical methods to manage the possibility of loan losses by measuring the expected average loss for a one-year risk horizon ("credit cost") and the maximum loss within a certain confidence interval ("credit VaR").

We have established various guidelines to ensure that credit is not concentrated in certain companies, corporate groupings or sectors. The risk management divisions monitor adherence to these guidelines and submit regular reports to management.

Market Risk Management

Mizuho defines market risk as the risk of losses incurred by the group due to fluctuations in interest rates, stock prices and foreign exchange rates, and measure and control it in an appropriate manner.

From the perspective of quantitative controls in particular, limits have been set for VAR and losses.

The risk management divisions of MHFG and core group companies monitor adherence to the above-mentioned limits by identifying market risk using appropriate methods to measure risk volumes according to the nature and characteristics of their risk exposures, as well as their profit and loss situations, and submit regular reports to management.

Given a market environment where the subprime loan problem originating in the United States has had even more serious repercussions, we have strengthened the cash management of foreign currencies and in

respect of securitization products, moreover, we have (1) strengthened management of maximum exposure limits; (2) strengthened monitoring of transactions; and (3) conducted measurement of the amount of risk capital based on stress testing.

Liquidity Risk Management

Mizuho defines liquidity risk as the risk of losses arising from funding difficulties due to a deterioration in its financial position that makes it difficult for it to raise necessary funds or that forces it to raise funds at significantly higher interest rates than usual.

Liquidity risk is controlled by setting management indices such as limits on funds raised in the market.

Operational Risk Management

Mizuho defines operational risk as the risk of loss that we may incur resulting from inadequate or failed internal processes, people and systems or from external events.

We recognize that operational risk includes information technology risk, operations risk, legal risk, human resources risk, tangible asset risk, regulatory change risk and reputational risk. We identify and manage risk in an appropriate manner, stipulating basic risk management policies concerning risk management structures and methods for each type of risk. More specifically, we are utilizing control self-assessments which enable us to identify and evaluate the risks inherent in operations and to implement necessary measures to reduce them.

Action Plans

Mizuho started adopting Basel II at the end of March 2007, and is planning to apply the advanced measurement approach (AMA), which makes it possible to reflect the group's operational risk profile more accurately, and is making preparations related thereto. We continue to recognize that appropriate risk management and control are issues of key importance to corporate management, and are taking steps to enhance our risk management structure.

I Global Environmental Problems

Mizuho Should Be More Proactive in Disclosing Concrete Information about Its Environmentally Friendly Initiatives

Mizuguchi Mizuho was the first Japanese bank to adopt the Equator Principles and remains the keenest to tackle the issues they raise. For that very reason, I would like to see it adopt a more proactive approach to disclosing information on how signing the Principles has actually changed projects, and how the group takes the environment and society into consideration. I suspect confidentiality obligations may pose some problems, but if you actually do good things without explaining them, it will be impossible to dispel the image that engaging in large-scale projects means environmental destruction. Likewise, I think you should disclose the regular dialogs you have with NGOs that ensure the system is operating normally by fulfilling a watchdog role in monitoring development finance.

The target of the Equator Principles is project finance, but I believe it is important to extend the concepts behind the Principles to all finance because the number of other, different types of finance deals is far greater.

Hashimura Besides project finance, we have financial products that incorporate environmentally conscious ideas for SMEs.

Mizuguchi Yes, I believe many environmentally friendly financial products are on offer. That said, the 2008 report

mentioned 53 deals, which I believe is smaller than the number of branches.

Hashimura This year's report is expected to say that the number of outstanding environmental finance products is 147, approximately three times last year's figure. One of these financial products, the "Mizuho Eco-special," was designed for companies that have obtained ISO14001 and other types of certification. However, using the "Environmental Checklist" prepared independently by the group, we can now offer lower interest rates on the basis of evaluations of future environmental initiatives, not just those that are already underway. In other words, building up a solid record by offering this product is in itself a form of environmental education activity because it heightens awareness of environmental initiatives among SME clients. Client interest is high and we expect the number of deals to rise further going forward.

Furuya You are providing employees with environmental education as part of your efforts to reduce the environmental impact of your own offices. This is an excellent initiative, but I think more could be done to resolve environmental issues if such initiatives were extended beyond the company to employees' families and friends.

Okazaki I would definitely like to see this initiative taken further because the impact of expanding it beyond the 70,000 or so group employees and staff would be huge.

The Fourth Stakeholder Dialog (Held May 29, 2009)

DIALOGUE

What Is Expected of a Financial Institution's CSR Activities

In the Fourth Stakeholder Dialog, experts from various sectors gave their views in order to promote further evolution of the CSR activities that Mizuho focused on during fiscal 2008.



II Financial Education We Want Mizuho to Continue Offering Unique Financial Education Based on Its Core Business

Okazaki We see financial education in terms of “nurturing attitudes that enable people to understand the various workings of money and finance, think deeply about their own lives and society through this process, and refine their own lifestyles and sense of values so that they learn how to act independently in creating a richer livelihood and a better society.” We are therefore systematically promoting such education in cooperation with teachers and various public and private sector agencies and organizations. Mizuho is conducting joint research with Tokyo Gakugei University and offering programs in various subjects in cooperation with teachers at schools, including the preparation of texts for special needs schools. However, I’d like to see the group aim at financial education that is difficult or even impossible for other organizations to tackle. I also think it should be easy to win depositor approval for such efforts.

Furuya I believe financial education and consumer education can be linked. For example, if you take problem cases where consumers misunderstood or were unable to make proper use of information, and apply them in basic consumer education activities, this should help you win considerable trust as an initiative associated with your core business, not simply as a social contribution through financial education for children.

Mizuguchi I also think it is important for financial education to focus on the social responsibilities of depositors in ensuring that the money they deposit is used to finance various businesses that will create the society of the future. Depositors should ask banks tough questions about how they use their money. This should help nurture consumers who can discern whether a bank is really superior even if the interest rates it offers are the same as everywhere else. It also means that the CSR activities of financial institutions are not merely

volunteer activities but activities that tie into enterprise value.

Hashimura At the moment, Mizuho’s financial education programs take the flow of money as their theme and teach how money circulates through society, but I’d like to see us adopt these ideas and perspectives in the future.

III Facilitating Corporate Finance We Want Mizuho to Create Greater Value through Finance and Management Support

Ito Since Mizuho declared it would take steps to facilitate financing for SMEs in October 2008, funding to SMEs has increased by ¥500 billion. However, these initiatives are not generally known because media reports tend to focus on tight lending policies. If they knew about Mizuho’s efforts in this area, I suspect there would probably be more loan applications from companies that had given up on the idea of applying. This would probably help it fulfill an even larger public role as a financial institution in my view.

I also think it’s a good idea to be more aware of its potential, its value and its information resources as a financial institution. Adding information and management advice and other management support to loans and other financial support would surely enable it to realize even greater enterprise value. For example, this not only means lending to companies on the basis of their excellent technologies, but enhancing the process into a system that marries their strengths with those of various other companies, thereby helping to create the kind of competitiveness for which Japan is known. Financial institutions have that sort of capability.

Mizuguchi I totally agree. The important thing in such cases is the ability to imagine what sort of society we aspire to. To envisage what can be realized by combining the strengths of various companies. I think it would be good for companies to come up with clear ideas on how to approach support for developing countries, ecosystem problems and other issues.



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IV Preventing Financial Crime Every Employee Should Insist on Putting the Customer First

Furuya Partly because of the stagnating economy, there is a great deal of financial crime, so I was reassured to hear that you have adopted rigorous countermeasures to protect consumers from crimes. To put it bluntly, however, it does seem you may simply be following the crowd.

Kayama Mizuho was ahead of other banks in introducing full-scale anti-money laundering (AML) systems. We have become far more accurate at identifying accounts that look as though they may be involved in crimes, and we are using the results to prevent crime in cooperation with the authorities. To eliminate accounts that are used in crimes, we are working to educate customers by preparing pamphlets describing how selling or otherwise transferring accounts to others is a crime.

Furuya Operating too rigorous a crime prevention program may actually cause customer satisfaction to decline if, for example, we repeatedly ask regular customers to confirm the same facts whenever they visit the bank. It is not a good thing to establish exceptions to rules, but bureaucratic responses can end up as part of the bank's risk management efforts rather than efforts for the benefit of customers. To prevent this, I believe we should ensure all employees develop the ability to think for themselves and put the customer first.



Mizuguchi As a private financial institution, it is vital to contribute to crime prevention. In fact, there are apparently cases where people have been stopped from remit-

ting money to accounts during bank transfer scams.

Hashimura There are even cases where commendations have been received from the police.

Furuya I believe it is important to disclose good cases like these. It is also necessary to disclose a little more about customer dissatisfaction and complaints. I believe that disclosing the kinds of issues affecting consumers and how Mizuho resolved them would give more concrete insights into the group's CSR initiatives and associate it with efforts to resolve social problems.

V Communications CSR Activities Must Be Mindful of Their Links with the Global Environment and International Society

Mizuguchi Mizuho should be aware of how international society perceives it. In Europe, especially, there is growing interest in the relationship between financial institutions and the manufacturers of products that have been banned by the Cluster Bomb and Landmine Treaties on the grounds that they are inhumane.

It is important to provide society with information on how the group views social issues to which global



norms or consensuses apply, and to demonstrate a serious approach and commitment.

Ito When we look at the situation differently, we can see that CSR activities are simply corporate activities based on the shared philosophy that successful Japanese companies are open. Many companies adopt a corporate philosophy that encourages links with their stakeholders and society. Through this they shun self-righteousness and engage in corporate activities that tie them into various external relationships transcending a single enterprise or department, and activities that bear in mind the need to coordinate with the global environment and international society. I believe activities that respect such ties ultimately fulfill CSR and responsibilities to society. In the 20th century, when society grew as individual companies strove to be strong, relationships with the earth and society took second place. Now that the consequences of this behavior have come home to roost, we should once again realize that lack of awareness of our external relationships was not a good thing. I think that ties with various stakeholders and activities that take the global environment and international society into consideration will themselves help to build a sustainable society.

Kayama Thank you for your invaluable comments. While Mizuho is engaged in various activities, their roots naturally lie in customers' views and the opinions of you, our stakeholders' representatives. Based on such dialogs, we shall work to make our group CSR activities even better. Thank you very much.

Our website carries information on action items we have adopted to deal with the issues raised in the fiscal 2008 dialog.

 <http://www.mizuho-fg.co.jp/english/csr/management/communication/stakeholder.html>



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For the financial sector, 2008 was an ordeal that threatened to bring back the nightmare of the “lost decade.” The financial crisis originating in the United States shook the global financial system to its core. The Mizuho Financial Group CSR Report 2009 reaffirms Mizuho’s commitment to CSR during these tough times.

In his “Top Commitment,” President and CEO Takashi Tsukamoto made an extremely clear pledge. He confirmed a return to the roots embodied in the Basic Principles of the Consolidation and The Mizuho Code of Conduct. Instead of cowering in the face of the adversities arising from economic stagnation, this suggests the group is ready for proactive actions that recognize anew the importance of the financial institution’s public mission and social responsibilities.

This year’s report attaches top priority to actions associated with the environment. The writer describes efforts to resolve financial issues through financial mechanisms as “environmental finance.” It is clear that Mizuho is taking the lead in environmental finance, whether it is a matter of environmentally-friendly international project finance based on the Equator Principles, investment support for wind power generation projects, or initiatives addressing domestic credit schemes to support SMEs in Japan.

I visited Mizuho Corporate Bank to gather materials when it became the first Japanese bank to adopt the Equator Principles in October 2003. Taking a first step like this requires courage. I believe the people in charge at the time were not merely concerned with the immediate novelty, but made the decision believing in the responsibility and potential of finance. The wide-ranging results described in this report show how far things have come in the six years or so since then. When I look back, I feel this really demonstrates the “Mizuho spirit.”

What is this “Mizuho spirit”? Born through a consolidation of three banks in the midst of Japan’s financial crisis, Mizuho has from the beginning been asked to fulfill its public mission and social responsibilities. The success or failure of the consolidation into a megabank does not depend on strengthening earning power alone, although that is important. I think it also depends on the assessment as to whether the results obtained through financial mechanisms

are restored to the people and economic society. What is necessary to achieve this is the “Mizuho spirit,” the ability to make one’s own decisions and accumulate honest results instead of playing catch-up.

This “spirit” is not just a matter of environmental initiatives. The long-standing commitment to financial education is also a results-oriented initiative that, amongst other things, deepens ties with a university specializing in training teachers. The reliability of Mizuho’s financial education is enhanced by its adherence to its firm management stance on being the only megabanking group not to have a consumer finance company under its umbrella.

Like other banks, it is striving to prevent financial crimes such as bank transfer fraud. Here, the “Mizuho spirit” is apparent from the clear declaration to disavow anti-social elements that appears in the group’s basic policies. I believe this determination to exclude anti-social elements led to the decision to become the first Japanese bank to adopt a money laundering prevention system.

Of course, there are problems. To start with, the “Mizuho spirit” has proven effective, but the question now is how to take this forward and how to develop “typical Mizuho strength” on the earnings side. Although tighter policies for lending to SMEs have become an issue in Japan, Mizuho Bank increased its lending to smaller businesses by ¥500 billion in half a year. Rather than asking how this compares with ¥24 trillion in outstanding loans, the question is how to assess it from the perspective of public mission and social responsibility.

It is not a question of simply increasing the amounts lent. Today, the public mission that financial institutions are expected to accomplish, and the public responsibilities they should fulfill through their core business lie in supporting management reforms. These include strengthening the management capabilities of their customers, discovering new technologies and markets and offering solutions for overseas expansion. I suspect Japan’s financial sector, not just Mizuho, has yet to fulfill its potential in these respects.

Once the Japanese economy gets through its current trials, I would hope that Mizuho shows the courage and wisdom to lead the way in taking the first step.